

# **ANNUAL REPORT**

**2018 – 2019**



**HOWRAH MILLS COMPANY LIMITED**

## CORPORATE INFORMATION & CONTENTS

### BOARD OF DIRECTORS

Sanjay Mall	- Managing Director
Sitansu Banerjee	- Whole-time Director & CFO
Shankar Lal Jhawar	- Non-Executive Promoter Director
Sankar Kumar Mukhopadhyay	- Independent Director
Tapati Dutta	- Independent Director
Sudip Chandra Majumdar	- Independent Director

**(Composition of the Board of Directors as per Financial Year 2018-2019)**

### BANKERS

State Bank of India

### AUDITORS

B. Jain & Co.  
Chartered Accountants  
2, Ashutosh Mukherjee Road  
Kolkata – 700 020

### SOLICITOR & ADVOCATE

Utpal Majumdar  
7C, Kiran Shankar Roy Road  
Hastings Chamber  
3rd Floor  
Kolkata - 700 001

### REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Private Limited  
23, R. N. Mukherjee Road, 5th Floor, Kolkata –700 001  
Phone : +91 33 2243-5029, 2248-2248, 2231-6839  
Fax : +91 33 2248-4787, E-mail : mdpldc@yahoo.com

### REGISTERED & ADMINISTRATIVE OFFICE

“Howrah House”  
135, Foreshore Road  
Howrah - 711 102  
West Bengal  
Phone : +91 33 2641-2402/4446/4159/2748  
Fax : +91 33 2641-2796/1447  
E-mail : howrahfinance@mjindia.com  
Website : www.mjindia.com/jute/howrahmill/html/index.html  
CIN : L51909WB1890PLC000625

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## NOTICE

**NOTICE** is hereby given that the One Hundred Ninety Three Annual General Meeting (AGM) of the members of Howrah Mills Company Limited will be held on Tuesday, August 10, 2021, at 10.30 a.m. IST through Video Conferencing or Other Audio-Visual Means, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019, the Reports of Board of Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the re-appointment of the Auditors, M/s. B. Jain & Co., Chartered Accountants (Firm Registration No. 307100E) to hold office from the conclusion of the Hundred Ninety Three Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company on a remuneration to be mutually agreed upon with the Board of Directors.”

### SPECIAL BUSINESS:

3. Approval of appointment and remuneration of Shri Siddhartha Bandyopadhyay (DIN: 09231007) as Whole-time Director of the Company

To consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197, and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Company Act, 2013, proposing to appoint Shri Siddhartha Bandyopadhyay (DIN: 09231007) as a Whole Time Director designated as Executive Director, for a period of 3 (three) years, effective from the date of ensuing AGM of the company, not liable to retire by rotation, on the following terms and condition.

- (I) PERIOD OF APPOINTMENT: From upcoming Annual general Meeting to three years.
- (II) REMUNERATION: Shri Siddhartha Bandyopadhyay, Whole Time Director (WTD) shall be entitled to the following:-
  - (a) PERIOD OF REMUNERATION: From 10<sup>th</sup> August, 2021 to 09<sup>th</sup> August, 2024.
  - (b) Salary:
    1. Basic Salary Rs. 16,900/- (Rupees Sixteen Thousand Nine Hundred only) per month.
- (III) During the period, Shri Siddhartha Bandyopadhyay functions as Whole Time Director, he shall not be paid any sitting fees for attending the meeting of Board or any Committee thereof.
- (IV) Subject to the superintendence, control and direction of the Board, Shri Siddhartha Bandyopadhyay shall perform such duties and functions as would be commensurate with his position as WTD of the Company and as may be delegated to him from time to time.
- (V) The Company or Shri Siddhartha Bandyopadhyay shall be entitled to terminate this appointment by giving three months' notice in writing or such shorter notice, as may be mutually agreed between Shri Siddhartha Bandyopadhyay and the Company.

**RESOLVED FURTHER THAT** the above Remuneration be paid as minimum remuneration to Shri Siddhartha Bandyopadhyay, where in any financial year during his tenure as Whole Time Director (WTD), the Company has made no profits, or the profit are inadequate within the meaning of Schedule V and other applicable provisions of the Companies Act, 2013

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper expedient to give effect to this resolution”

4. Approval for Increase in the Authorised Share Capital of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the Members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 7,00,00,000 (Rupees Seven Crores Only) divided into 67,37,500 (Sixty Seven Lacs Thirty Seven Thousand Five Hundred) Equity Shares and 26,250 (Twenty Six thousand Two Hundred Fifty) 9.1% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each to Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) divided into 2,47,37,500 (Two Crores Fourty Seven Lakhs Thirty Seven Thousand Five Hundred)

Equity Shares of Rs. 10/- each and 26,250 (Twenty Six thousand Two Hundred Fifty) 9.1% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each by creation of additional 1,80,00,000 (One Crores Eighty Lakhs) Equity Shares of Rs. 10/- each ranking pari-passu in all respect with the existing Equity Shares of the Company”

**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place and stead the following:-

“V. The Authorized Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) divided into 2,47,37,500 (Two Crores Fourty Seven Lakhs Thirty Seven Thousand Five Hundred) Equity Shares of Rs. 10/- each and 26,250 (Twenty Six thousand Two Hundred Fifty) 9.1% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each.”

**RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

**By Order of the Board of Directors**

Sankar Kumar Mukhopadhyay

Director

DIN 00384975

Place: Kolkata

Date: 10.07.2021

**NOTES:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) with respect to item nos. 3 and 4 of the Notice is annexed hereto and forms part of this Notice.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis.
5. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Howrah Mills Co. Ltd at [www.mjindia.com/jute/howrahmill/html/index.html](http://www.mjindia.com/jute/howrahmill/html/index.html). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.
10. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
11. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days during business hours upto the date of the Meeting.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from 04th August, 2021 to 10th August, 2021 (both days inclusive).

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Saturday, August 07, 2021, at 10.00 A.M. and ends on Monday, August 09, 2021. At 5 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, August 03, 2021 i.e. Record Date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/</li> </ol>

Type of shareholders	Login Method
	Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(vi) After entering these details appropriately, click on "SUBMIT" tab.

- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for HOWRAH MILLS CO. LTD. on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarialhmcl@gmail.com](mailto:secretarialhmcl@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries

will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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 available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
11. **SINCE SOME BROWSERS ARE NOT OPTIMISED, SHAREHOLDERS ARE REQUESTED TO DOWNLOAD CISCO WEBEX MEETINGS APP FOR BEST RESULTS IN VIEWING THE WEBINAR. IT IS AVAILABLE IN GOOGLE PLAY STORE.**

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **secretarialhmcl@gmail.com**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

(xvii) General Guidelines for Shareholders

- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- b. Shri Suprabhat Chakraborty, Practising Company Secretary (Membership No. 41030), has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- c. The Scrutinizer shall submit his / her report, to the Chairman or any person authorized by him, on the voting in favour or against, if any, within forty-eight hours from the conclusion of the Meeting.
- d. The results declared along with the consolidated Scrutinizer’s Report and the recorded transcript of the meeting shall be placed on the website of the Company [www.mjindia.com/jute/howrahmill/html/index.html](http://www.mjindia.com/jute/howrahmill/html/index.html) the results shall simultaneously be communicated to the Stock Exchanges.
- e. The Register of Members of the Company shall remain closed from 03<sup>rd</sup> August, 2021 to 10<sup>th</sup> August, 2021 (both days inclusive).
- f. Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Amounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years. Further, according to the Rules, share in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.
- g. The share transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividend are available on the Company’s website at [www.mjindia.com/jute/howrahmill/html/index.html](http://www.mjindia.com/jute/howrahmill/html/index.html) and the Ministry of Corporate Affairs’ website ([www.mca.gov.in](http://www.mca.gov.in)).
- h. The last dates of claim for the following dividends are as follows:



**Equity**

Dividend for the financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	To be transferred to IEPF within 30 days on & from
31-03-2010	21-09-2010	27-10-2017	28-10-2017
31-03-2011	28-09-2011	03-11-2018	04-11-2018
31-03-2012	24-09-2012	30-10-2019	31-10-2019
31-03-2013	30-08-2013	05-10-2020	06-10-2020

**9.1% Cumulative Redeemable Preference Shares**

Dividend for the period	Date of declaration of Dividend	Last date for claiming unpaid Dividend	To be transferred to IEPF within 30 days on & from
15.06.1993 to 14.06.2008	23-09-2008	05-08-2017	06-08-2017

**Explanatory Statement  
[Pursuant to Section 102 of Companies Act, 2013]**

**Item no. 3**

In accordance with Section 160 of the Companies Act, 2013, the Company has received notice in writing from a Member of the Company, intending to propose the candidature of Shri Siddhartha Bandyopadhyay (DIN: 09231007) for appointment as Director of the Company.

Shri Siddhartha Bandyopadhyay has B.Com and has an experience of more than 30 years in accounts and related field.

On recommendation of Nomination and Remuneration Committee, the Board approved the appointment of Shri Siddhartha Bandyopadhyay (DIN: 09231007), on the Company's Board as Whole Time Director which is desirable and would be more beneficial to the Company.

Further, pursuant the Section 196, 197 read with Schedule V of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee the Board recommended to appointed Shri Siddhartha Bandyopadhyay as Whole-time Director of the Company for a period of 3 (three) years from the upcoming Annual General Meeting on terms & conditions as mentioned in Annexure A.

None of the Director and/ or Key Managerial Personnel of the Company and relatives is interested in the aforesaid resolution except Shri Siddhartha Bandyopadhyay.

The Board recommends Ordinary Resolution as set out in Item No. 3 as a Special Business for approval of members.

**The information required to be disclosed under Schedule V of the Act is as follows:**

- i. The proposed remuneration has been approved by a resolution of the Board, is consolidated salary per month : Rs.16,900 (Rupees Sixteen Thousand Nine Hundred Only) per month.
- ii. The Company has committed default in payment of dues to bank or public financial institution or any other secured creditor. The Company has not issued non-convertible debenture as on date.
- iii. The statement containing further information is set out hereunder.

**1. General Information:**

- i) Nature of Industry : Jute Manufacturing & Trading
- ii) Date or expected date of commencement : The company commenced its business operation on 18th September, 1890
- iii) In case of new companies, expected date : Not applicable.
- iv) Financial performance based on given indicators : (Rs. In Lakhs)

	<b>Financial Year Ended</b>		
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Standalone</b>	<b>Standalone</b>	<b>Standalone</b>
<b>Total Revenue</b>	2785.04	3833.00	10939.27
<b>Profit Before Tax</b>	(1228.16)	(3002.25)	(1403.69)
<b>Profit After Tax</b>	(1228.16)	(3002.25)	(1401.24)

- v) Foreign investment or collaboration, if any: Not Applicable

**2. Information about the appointee:**

- i. Background details : Shri Siddhartha Bahdyopadhyay has more than 30 years, experience in Jute Manufacturing company. Directors are of opinion that his knowledge and experience will be immense value to the Company.
- ii. Past Remuneration : Nil
- iii. Recognition or awards : Nil
- iv. Job Profile and his Suitability : Shri Siddhartha Bandyopadhyay will be entrusted with the management of the Company subject to the superintendence, control, and direction of the Board. Within the above parameters, Shri Siddhartha Bandyopadhyay perform such duties as are or may be entrusted to him by the Board. He has wide ranging experience to effectively guide the Company in the pursuit of its goals.
- v. Remuneration Proposed : Rs.16,900 per month
- vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): No comparative remuneration profiling has been done and the director shall be paid within the limits prescribed under Part-II of Schedule V of the Companies Act, 2013.
- vii. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Shri Siddhartha Bandyopadhyay is a Professional Director on the board of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company.

**3. Other information:**

- i. Reasons of loss or inadequate profits : Jute industry was under worst phase during the period
- ii. Steps taken or proposed to be taken for improvement : Under process
- iii. Expected increase in productivity and profits in measurable terms : Under process

**4. Disclosure:**

Board commends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the members.

Shri Siddhartha Bandyopadhyay is interested in the resolutions set out at Item No.3 of the Notice. The relative(s) of Shri Siddhartha Bandyopadhyay are not interested in the said resolution & neither he/they holds any shares in the Company.

Save and except the above, none of the other Director/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

**Item No. 4**

To support growth plans of the Company and to maintain the regulatory solvency margin. Hence, it is proposed to increase the existing Authorized Share Capital from Rs. 7,00,00,000/- (Rupees Seven Crore only) divided into 67,37,500 (Sixty Seven Lacs Thirty Seven Thousand Five Hundred) Equity Shares of Rs. 10/- (Rupees Ten) each and 26,250 (Twenty Six thousand Two Hundred Fifty) 9.1% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each to Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) divided into 2,47,37,500 (Two Crores Fourty Seven Lakhs Thirty Seven Thousand Five Hundred) Equity Shares of Rs. 10/- each and 26,250 (Twenty Six thousand Two Hundred Fifty) 9.1% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each by creating of additional 1,80,00,000 (One Crores Eighty Laks) equity shares of Rs. 10/- each ranking pari-pasu in all respect with the existing Equity Shares of the Company.

Pursuant to Sections 61 and 64 of the Companies Act, 2013, the consent of the Members of the Company is required to the proposed increase in the authorized share capital. Accordingly, the Board of Directors of the Company, vide its resolution passed at the meeting held earlier on 25<sup>th</sup> June, 2021, has proposed to increase the authorized share capital of the Company and seeks the approval of Members for the same by way of passing a special resolution.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital.

The proposal for increase in Authorised Share Capital and amendment of Memorandum of Association of the Company requires approval of members at a general meeting.

A copy of the Memorandum of Association of the Company duly amended will be available for inspection in the manner provided on the website of the company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as an Ordinary Resolution.

**Annexure A**

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are provided as under :-

Name of Director	Shri Siddhartha Bandyopadhyay
Date of Birth (Age in years)	02-07-1967
Date of Appointment	08.07.2021
Expertise in specific functional area (Experience in years)	Accounts and Finance
Qualification	B. Com.
Shareholding in the Company (either personally or on beneficial basis)	NIL
List of other Public Limited Companies in which he is a Director	NIL
Chairman/ Member of the Committee of the board of the Company	Not Applicable
Disclosure of relationships between Directors interse and other Key Managerial Personnel	Not Applicable
Terms and Conditions of appointment / re-appointment	As per prevailing practice, Executive Director(s)
Remuneration sought to be paid / last drawn	Rs. 16900/- (Rupees Sixteen Thousand Nine Hundred only) per month
Number of Board Meetings attended during the year	Not Applicable

Place : Kolkata

Date : 10.07.2021

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 193rd Annual Report along with the audited accounts of the Company for the year ended 31st March 2019.

### FINANCIAL RESULTS

(Rs in lacs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Total Revenue	1262.52	2785.00
Operating Profit before Finance Costs and Depreciation	(6905.04)	(533.00)
Other Income	230.38	386.00
	(6674.66)	(147.00)
Less – Finance Costs	125.06	106.00
Less – Depreciation	166.80	202.00
Profit before tax	(6966.52)	(1228.16)
Less – Provision for Tax (net)	-	-
Profit after Tax	(6966.52)	(1228.16)
Less – Proposed Dividend on Equity Shares	-	-
Less – Corporate Dividend Tax	(6966.52)	(1228.16)
Accumulated Profit brought forward from previous year	(4293.19)	(3089.65)
Adjustment related to Depreciation of earlier year	-	24.62
Accumulated Profit/(Loss) carried forward to next year	(11259.71)	(4293.19)

#### 1. THE STATE OF THE COMPANY'S AFFAIRS

During the period 01.04.2018 to 31.03.2019 there has been no manufacturing activity and hence it is not justifiable to compare the past figure with current figure.

The leasing out of mill operation will help the Company in reducing its losses due to shortage of working capital.

#### 2. DIVIDEND

In view of the loss, your Board has not recommended any dividend for the financial year 2018-2019.

#### 3. AMOUNTS TRANSFERRED TO RESERVE

No amount has been transferred to Reserve.

#### 4. SHARE CAPITAL

During the year under review the Company has not issued any equity shares with differential rights, Sweat Equity Shares and no Employee Stock Options were granted for which no disclosures pursuant to Rule 4(4), Rule 8(13) and Rule 12 (9) of the Companies (Share Capital and Debenture Rules), 2014 are required to be given.

#### 5. THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES COMPANIES DURING THE YEAR

The Company does not have any subsidiary, associate and joint-venture

#### 6. BOARD MEETINGS HELD DURING THE YEAR

The Board met 6 times in the Financial Year 2018-19 viz, 14.05.2018, 02.08.2018, 18.09.2018, 12.11.2018, 17.01.2019 and 12.02.2019. Details of Directors as on 31 Mar 2019 and their attendance at the Board Meetings and Annual General Meeting (AGM) during the Financial Year 2018-19 are given below:

Name of Director	Designation	No. of Board Meeting	No. of Board Meeting Attended	Attended the Last AGM
Sanjay Mall	Managing Director	6	3	No
Mr. S. L Jhawar	Non-Executive Director	6	3	No
Mr. Sankar Kumar Mukhopadhyay	Independent Director	6	6	Yes
Mrs. Tapati Dutta	Independent Director	6	6	Yes
Mr. Sudip Chandra Majumder	Independent Director	6	6	Yes

**7. Meeting of the Committees****Audit Committee**

<b>Name of Members</b>	<b>No. of Committee Meeting entitled</b>	<b>No. of Committee Meetings Attended</b>
Mr. Sudipt Chandra Majumder	4	4
Mr. Sankar Kumar Mukhopadhyay	4	4
Mrs. Tapati Dutta	4	4

**Nomination & Remuneration Committee**

<b>Name of Members</b>	<b>No. of Committee Meeting entitled</b>	<b>No. of Committee Meetings Attended</b>
Mr. Sudipt Chandra Majumder	1	1
Mr. Sankar Kumar Mukhopadhyay	1	1
Mrs. Tapati Dutta	1	1

**Stakeholders' Relationship Committee**

<b>Name of Members</b>	<b>No. of Committee Meeting entitled</b>	<b>No. of Committee Meetings Attended</b>
Mr. S. L. Jhawar	5	5
Mr. Sankar Kumar Mukhopadhyay	5	5
Mr. S. Banerjee	5	5

**8. VIGIL MECHANISM**

The Company has established a vigil mechanism for Directors and employees to report genuine concerns, while providing for adequate safeguards against victimization; providing direct access to chairperson of Audit Committee, the details regarding which have also been given in the Company's official website.

**9. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS**

Independent Directors as defined under section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, have given their respective declarations pursuant to section 149(7) of the Companies Act, 2013 which is now being reported pursuant to section 134(3) (d) of the Companies Act, 2013.

**10. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

A separate meeting of the Independent Directors was held on 12.02.2019 being attended by all the Independent Directors without the attendance of non-independent directors and members of Management.

**11. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company conducts familiarization program to familiarize the independent directors of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Company's weblink is provided in this Annual Report.

**12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report. It speaks about the overall industry structure, economic scenarios, and developments in business operations / performance of the Company's business. Management Discussion and Analysis Report forming part of this Report is stated in **Annexure – 1**.

**13. REPORT ON CORPORATE GOVERNANCE**

The provisions of Regulation 15(2) read with Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. Hence, report on Corporate Governance for the financial year 2018-19 is not attached herewith.

**14. THE DETAILS OF DIRECTORS OR KMPs WHO WERE APPOINTED OR HAVE RESIGNED DURING AND AFTER THE END OF THE YEAR**

No directors were appointed or reappointed during the financial year.

Your Board has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing appointment of Shri Siddhartha Bandyopadhyay as a Wholetime Director of the company at the ensuing AGM of the company.

**15. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the loss of the Company for that period.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis.
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 16. PARTICULARS OF EMPLOYEES

- Your Company has not paid any remuneration attracting the provisions of Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. Hence, no information is appended to this Report in this regard.
- The particulars pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are stated in **Annexure-2**.

#### 17. AUDITORS AND EXPLANATION TO AUDITORS' REMARKS

M/s B. Jain & Co., Chartered Accountants as the Statutory Auditors of the Company till the conclusion of the 193rd Annual General Meeting, the Board of Director of the Company had recommended to appoint M/s B. Jain & Co. Chartered Accountants as Statutory of the Company to hold office of the Company from this AGM to till the conclusion of the next Annual General Meeting of the Company.

Pursuant to section 134 (3) (f) of the Companies Act, 2013 it is stated that as regards qualifications contained in the Auditor's Report, the respective notes to the accounts are self explanatory and therefore, do not call for further comments.

#### 18. COST AUDITORS

There has been no manufacturing activities hence, the Board of Directors of the Company has not appointed any Cost Auditor.

#### 19. SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Mr. Suprabhat Chakraborty, Company Secretary in Practice, who has conducted the Secretarial Audit of the Company for the financial year ended March 31, 2019. The Secretarial Audit Report (in Form MR-3) is attached to this Report under **Annexure - 3**.

Pursuant to section 134 (3) (f) of the Companies Act, 2013 the qualifications in his Report are explained as under:

- Unaudited Financial Results and audited financial results for the 1st, 2nd, 3rd and 4th quarter for the financial year 2018-19 could not be prepared due to some unavoidable circumstance.
- Unaudited Financial Results and audited financial results for the 1st, 2nd, 3rd and 4th quarter for the financial year 2018-19 could not be published and submitted with CSE due to some unavoidable circumstance.
- Updating of information on company's official website is under process as per Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Transfer of unpaid dividend of the Company to IEPF accounts is under process for the financial year ended 31.03.2010 and 31.03.2011.
- The Company is in search for suitable candidate for the post of Company Secretary.
- The Company is in search for suitable candidate for appointment of Managing Director and CFO.

#### 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

Pursuant to section 134(3) (m) of the Companies Act, 2013 the details of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as under:

As the production of the Company has been stopped details regarding Energy, Technology Absorption not given.

##### a) Foreign Exchange Earnings and Outgo

Earnings                      Rs. lacs (From the trading activities)

Outgo                      -

**21. REMUNERATION OR COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLETIME DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANIES**

No disclosures are required since the Managing Director and Wholetime Director & CFO of the Company do not receive any commission from the Company. The Company does not have any holding company or a subsidiary company so receiving of any remuneration or commission from such companies does not arise.

**22. DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013 for which no disclosures are required to be given.

**23. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

The Company's mill was under suspension of work w.e.f. 15-10-2015 to 15-08-2016 and consequently the Company has incurred heavy loss during the financial year under review resulting in delay in making statutory and trade payments and the said company has been given on conversion for the period from 01.04.2016 to 31.03.2017 there has been no manufacturing activity.

**24. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

The Company was under suspension of work from 15-10-2015 to 15-08-2016 and the said factory premises company has been given on conversion to M/s Premier Digital Solutions Pvt Ltd from 01.08.2016.

**25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013 and Companies (Meetings of Board & its Powers) Rules, 2014. However, the details of the investments made by the Company are given in the notes to the financial statements.

**26. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system including internal financial controls which are commensurate with the size of the Company and the nature of its business.

**27. CORPORATE SOCIAL RESPONSIBILITY**

The Company is at present outside the purview of Section 135 of the Companies Act, 2013 which mandates forming a committee on Corporate Social Responsibility. The Board will consider forming the Committee at the appropriate time.

**28. PERFORMANCE EVALUATION OF THE BOARD**

The Board has carried out a formal process of performance evaluation of the Board, its Committees and individual Directors. The performance was evaluated based on parameters such as composition, quality of members, effectiveness of the Board/Committee process, functioning and contributions made by them.

**29. RELATED PARTY TRANSACTIONS**

There were no related party transactions pursuant to section 188(1) of the Companies Act, 2013 during the year under review.

**30. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014 and pursuant to Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is required to establish a Vigil Mechanism/ Whistle Blower Policy for the directors and employees to report genuine concerns or grievances.

In view of the above, the Company has established a Vigil Mechanism/ Whistle Blower Policy for the directors and employees for reporting illegal or unethical behavior. Under this, the employees are free to report violation of laws, rules regulation and unethical conduct to their immediate supervisor or such other person as may be notified by the management to the work groups. The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practice.

**31. RISK MANAGEMENT**

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. However, the Company has not constituted a Risk Management Committee as this is applicable to top 100 listed companies by market capitalization as at the end of the immediate previous financial year in terms of Regulation 21 (5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Company for the present is outside its purview.

**32. BUSINESS RESPONSIBILITY REPORTING COMMITTEE**

The Company has not attached any Business Responsibility Report, since this is applicable to top 100 listed companies based on market capitalization. The Company for the present is outside its purview.

**33. REPORTING OF FRAUDS**

The Statutory Auditors of the Company have not reported any frauds for the financial year reported herein.

**34. EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return for the financial year 2018-2019 as per Form – MGT- 9 is attached with this Report under Annexure 4.

**35. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There has been no order passed by the Regulators or Court or Tribunal impacting the going concern status and the Company's operations in future.

**36. NOMINATION & REMUNERATION POLICY OF THE COMPANY**

The Nomination & Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report.

**37. AUDIT COMMITTEE**

The composition of the Audit Committee is stated in the Corporate Governance Report. There is no instance of the Board not accepting any recommendation of the Audit Committee.

**38. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination and to boost their confidence, morale and performance. Your Company has constituted a Committee for prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places and has a policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. There has been no instance of sexual harassment during the year under review.

**39. UNCLAIMED REDEMPTION AMOUNT ON PREFERENCE SHARES AND EQUITY SHARES**

The Company has redeemed its 9.1% Cumulative Redeemable preference Shares of Rs. 100 each on 14-06-2008. The unclaimed redemption amount is lying with the Company and the due date for transfer to Investor Education and Protection Fund was 13-06-2015. The Company is in the process of transferring the said amount to Investor Education and Protection Fund.

Also the Company had declared dividend for the financial year ended 31.03.2010 and 31.03.2011 of 5% (Rs. 0.50) per equity share. The unclaimed dividend amount is lying with the Company and the due date for transfer to Investor Education and Protection Fund was 27.10.2017 and 03.11.2018. The Company is in the process of transferring the said amount to Investor Education and Protection Fund.

**ACKNOWLEDGEMENT**

Your Directors express their sincere appreciation for the continued co-operation and support extended to the Company by the Central Government, Government of West Bengal, Government Agencies & Local Authorities, Bankers, Financial Institutions, Business Associates and Shareholders. Your Directors also place on record their deep appreciation of the valuable contribution of the employees at all levels during the year and look forward to their continued co-operation in realization of the corporate goals in the years ahead.

For and on behalf of the Board  
Sankar Kumar Mukhopadhyay, Director [DIN : 00384975]  
Tapati Dutta, Director [DIN : 07297020]

Place : Kolkata  
Date : 10.07.2021



**ANNEXURE – 1****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

[Pursuant to Regulation 34 read with Schedule V Part B of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]

**Industry Structure and Developments**

The Government of India has taken significant steps which include extension of the mandatory packaging norms, promotion of jute diversified products like launching the Jute CFC scheme, MSP operations through JCI etc. to ensure that jute industry continues to grow.

However, the Government of India is taking several steps to control the crisis including stipulation of stock limits for holding raw jute, persuading Bangladesh to lift the ban on the export of raw jute. As a long term measure to improve availability of raw jute, the Government should take appropriate steps for improving area, production and productivity of raw jute.

**Opportunities and Threats****Opportunities**

- Jute, being a bio-degradable and pollution free commodity, should continue to get preference over other substitute products in view of the rising concern for environment and global warming.
- Increase in food grain production should provide steady procurement by the Government.
- Demand for Company's industrial as well as promotional Jute goods like Hessian & Sacking, lifestyle products & other made ups have grown over the years and are expected to see further increase.

**Risks and Concerns / Threats**

- The domestic market primarily depends on the Government procurement level for packaging of food grains and sugar. Dilution of Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987 (JPMA) leads to use of alternate synthetic products for packaging of food grains and sugar;
- Ever increasing employee cost may overall result into higher conversion cost.
- Lack of encouragement to make cultivation remunerative to farmers.

**Segment-wise or Product wise Performance**

The Company's Mill was under suspension of work from 15-10-2015 to 15-08-2016 which has resulted in a reduced turnover from jute activity and a loss for the year under review. From 01.08.2016 companies factory premises has been given on conversion to M/s Premier Digital Solutions Pvt Ltd.

**Outlook**

- Prospect of the current year would largely depend on availability of raw jute at reasonable prices, regular procurement of jute goods by the Government and import from Bangladesh which will depend on export policy of the Bangladesh Government.
- The phenomenal rise in price of raw jute has pushed the jute goods prices upward and made them uncompetitive both in domestic and international markets. Consequently, the demand of jute goods other than government orders has been severely affected, leading to loss of domestic market and also the loss of export orders.
- Taking the overall scenario of the industry into consideration, the outlook of the current year does not appear to be encouraging.

**Internal Control System and their Adequacy**

The Company has a proper internal control system commensurate with its size and nature of business to ensure timely recording and reporting of transactions and also to provide avenue for exercising effective safeguard of the Company's assets.

**Discussion on financial performance with respect to operational performance**

The following are the significant areas of financial performance:

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Revenue from Operation	103,213,948	239,865,318
Cost of Material Consumed	18,933,326	78,505,463
Finance Cost	12,505,917	10,647,894
Profit & Tax	(696,652,110)	(122,816,417)

**Material Developments in Human Resources / Industrial Relations Front, Including Number of People Employed**

- The Company's Mill was under suspension of work from 15-10-2015 to 15-08-2016. However, the industrial relation was peaceful.
- As on 31.03.2019, there were 50 employees on the Company's rolls.

- The Company has constituted a committee which monitors prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places. During the year under review, no complaint of sexual harassment has been received by the Company

**Cautionary Statement**

Statements made in this Report are made on good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

For and on behalf of the Board

Sankar Kumar Mukhopadhyay	Tapati Dutta
Director	Director
[DIN : 00384975]	[DIN : 07297020]

Place : Kolkata  
Date : 10.07.2021

## ANNEXURE - 2

**Disclosures pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) **The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-2019.**
- The Company's Mill was under suspension of work from 15-10-2015 to 15-08-2016 for which the median remuneration of the employees on an annualized basis can not be calculated. Consequently, the above ratio can not be computed.
- (ii) **The Percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer (CFO), Company Secretary (CS) in the financial year 2018-2019.**
- There has been no increase / (decrease) in remuneration of each Director, Chief Financial Officer (CFO), Company Secretary (CS) in the financial year 2018-2019.
- (iii) **Percentage increase in the median remuneration of employees in the financial year 2018-2019:**
- Due to suspension of work from 15-10-2015 to 15-08-2016 increase in the median remuneration of employees on an annualized basis can not be calculated.
- (iv) **Number of permanent employees on the rolls of the Company as on 31.03.2019:**
- 50
- (v) **Explanation on the relationship between average increase in remuneration and the Company's performance:**
- This is not applicable since there has been no increase in remuneration and the Company could not perform fully for the financial year 2017-2018 because its Mill was under suspension of work from 15-10-2015 to 15-08-2016.
- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**
- This is not comparable since the Company could not perform fully for the financial year 2018-2019 because its Mill was under suspension of work from 15-10-2015 to 15-08-2016.
- (vii) **Variations in the market capitalization of the Company, price earnings ratio as at 31.03.2019 and 31.03.2018 and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**
- The shares of the Company are not traded for the past few years for which market quotations are not available. The Company in the past has not come out with any public offer.
- (viii) **Average percentile increase already made in the salaries of the 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:**
- Not applicable since there has been no increase in the managerial remuneration for the financial year 2018-2019.
- (ix) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**
- This is not comparable since the Company could not perform fully for the financial year 2018-2019 because its Mill was under suspension of work from 15-10-2015 to 15-08-2016.
- (x) **The key parameters for any variable component of remuneration availed by the directors:**
- No Directors enjoy any variable component of remuneration.
- (xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**
- Not Applicable
- (xii) **Affirmation that the remuneration is as per the remuneration policy of the Company:**
- The remuneration is as per the Remuneration Policy of the Company.

**Note :** The Non-Executive and Independent Directors of the Company are entitled only to sitting fees for attending meetings of the Board or its Committee for which they are not considered for the above purpose.

For and on behalf of the Board

Place : Kolkata  
Date : 10.07.2021

Sankar Kumar Mukhopadhyay Director [DIN : 00384975]	Tapati Dutta Director [DIN : 07297020]
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## ANNEXURE - 3

**FORM No MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

**[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****Howrah Mills Co. Ltd.****135, Foreshore Road****Howrah - 711 102**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. HOWRAH MILLS CO. LTD having the (CIN:- L51909WB1890PLC000625)** (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 my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 („SCRA?) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015,
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period).
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period) (Not applicable to the Company during the audit period);
  - h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (Not Applicable to the Company during the Audit Period)
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit Period)
  - j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
  - k) The other laws that are applicable and complied by the Company are:
    - a. The Jute Packaging Materials Act, 1987
    - b. The Essential Commodities Act, 1955
    - c. The Payment of Wages Act, 1936
    - d. The Minimum Wages Act, 1948

- e. Employees Provident Funds and Miscellaneous Provisions Act, 1952
- f. The Payment of Bonus Act, 1965
- g. The Payment of Gratuity Act, 1972
- h. The Contract Labour (Regulation & Abolition) Act, 1970
- i. The Child Labour (Prohibition & Regulation) Act, 1986
- j. The Industrial Employment (Standing Order) Act, 1946
- k. The Employee Compensation Act, 1923
- l. Information Technology Act, 2000 and the Rules made there under
- m. Factories Act and other Labour Laws namely provident Fund Act, ESI Act, 1948 and other applicable Laws

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited

**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 following observations:**

- As per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Unaudited Financial Results and audited financial results for the 1st, 2nd, 3rd and 4th quarter for the financial year 2018-19 not prepared and submitted by the Company;
- As per Regulation 47 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Unaudited Financial Results and audited financial results for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter for the financial year 2018-19 not published and submitted with CSE;
- Information's of the Companies not updated on the website as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- Transfer of unpaid dividend of the Company to IEPF accounts is under process.
- The show cause notices received under various Acts are being dealt with by the Management.
- The Company Secretary Mr. Tuhinangsu Roy, Company Secretary had resigned on 30<sup>th</sup> June, 2017, Company not yet appointed any Company Secretary as on date.
- Sitansu Banerjee, Managing Directors and Chief Financial Officer (CFO) of the Company disqualified under Section 164(1) of the Companies Act, 2013, no such appointment has been made in the post of Managing Director and CFO.
- As the Shri Sanjay Mall, Managing Director, Shri Sitansu Banerjee, Whole Time Director and Shri Shankar Lal Jhawar, Directors has been disqualified under Section 164(1) of the Companies Act, 2013, the formation of the Board not as per the Companies Act, 2013 and the Listing Agreement.
- the Company is not regular in depositing Provident Fund, Employees' State Insurance.
- The Company currently not making any contributions towards provident fund and employees state insurance to the regulatory authorities to a defined contribution retirement benefit plan for any employees.

**I further report that**

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

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

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

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

**Suprabhat Chakraborty**  
**Company Secretary in Practice**  
 ACS No.: 41030  
 C P No.: 15878

Place: Kolkata  
 Date: 15.07.2019

**Note:-** This report is to be read with my letter of even date which is annexed as "Annexure" and forms an integral part of this report.

**'Annexure A'**

To  
The Members  
Howrah Mills Co. Ltd.  
135, Foreshore Road  
Howrah - 711 102

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures 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.

**Suprabhat Chakraborty**  
**Company Secretary in Practice**  
ACS No.: 41030  
C P No.: 15878

Place: Kolkata  
Date: 15.07.2019

## ANNEXURE – 4

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)  
of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

i)	CIN	L51909WB1890PLC000625
ii)	REGISTRATION DATE	18/09/1890
iii)	NAME OF THE COMPANY	HOWRAH MILLS COMPANY LIMITED
iv)	CATEGORY / SUB-CATEGORY OF THE COMPANY	An Indian Non-Government Company limited by shares
v)	ADDRESS OF THE REGISTERED OFFICE AND CONTACT DETAILS	"Howrah House", 135, Foreshore Road, Howrah-711102 Tel. : +91 33 2641-2402/4446/4159/2748 Fax : +91 33 2641-2796/1447 Email : secretarialhmcl@gmail.com
vi)	WHETHER LISTED COMPANY	Yes
vii)	NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR & TRANSFER AGENT, IF ANY	M/s. Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th Floor Kolkata - 700 001

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

To carry on the business of trading in Jute

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Trading of Raw Jute	46209	82%
2.	Rental Income	6810	18%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	N.A.	-	-	-	-

## IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

## (i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual / HUF	365900	0	365900	5.6779	365900	0	365900	5.6779	0.0000
(b) Central Govt.									
(c) State Govt.(s)									
(d) Bodies Corporate	2142964	0	2142964	33.2536	2142964	0	2142964	33.2536	0.0000
(e) Banks / FI									
(f) Any Other									
<b>Sub-total (A)(1)</b>	<b>2508864</b>	<b>0</b>	<b>2508864</b>	<b>38.9315</b>	<b>2508864</b>	<b>0</b>	<b>2508864</b>	<b>38.9315</b>	<b>0.0000</b>
(2) Foreign									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corporate									

(d) Banks / FI									
(e) Any Other									
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2508864</b>	<b>0</b>	<b>2508864</b>	<b>38.9315</b>	<b>2508864</b>	<b>0</b>	<b>2508864</b>	<b>38.9315</b>	<b>0.0000</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds									
(b) Banks / FI	136657	5925	142582	2.2125	136657	5925	142582	2.2125	0.0000
(c) Central/State Govt(s)	1025	530	1555	0.0241	2025	530	2555	0.0396	0.0155
(d) Venture Capital Funds									
(e) Insurance Companies									
(f) FIs									
(g) Foreign Venture Capital Funds									
(h) Others (specify)									
<b>Sub-total (B)(1)</b>	<b>137682</b>	<b>6455</b>	<b>144137</b>	<b>2.2366</b>	<b>138682</b>	<b>6455</b>	<b>145137</b>	<b>2.2521</b>	<b>0.0155</b>
<b>(2) Non-Institutions</b>									
(a) Bodies Corporate									
(i) Indian	2962211	220002	3182213	49.3802	2962786	220002	3182788	49.3891	0.0089
(ii) Overseas	900	0	900	0.0140	0	0	0	0.0000	-0.0140
(b) Individuals									
(i) Individual (shareholders holding nominal share capital upto Rs.1 lakh)	41619	362408	404027	6.2695	42427	361025	403452	6.2606	-0.0089
(ii) Individual (shareholders holding nominal share capital in excess of Rs.1 lakh)	100403	99500	199903	3.1020	100403	99500	199903	3.1020	0.0000
(c) Others (specify)									
(i) Non Resident Indians	0	1588	1588	0.0246	0	963	963	0.0149	-0.0097
(ii) Custodian of Enemy Property									
(iii) Foreign Nationals	100	2575	2675	0.0415	0	3200	3200	0.0497	0.0082
<b>Sub-total (B)(2)</b>	<b>3105233</b>	<b>686073</b>	<b>3791306</b>	<b>58.8318</b>	<b>3105616</b>	<b>684690</b>	<b>3790306</b>	<b>58.8163</b>	<b>-0.0155</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3242915</b>	<b>692528</b>	<b>3935443</b>	<b>61.0684</b>	<b>3244298</b>	<b>691145</b>	<b>3935443</b>	<b>61.0684</b>	<b>0.0000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>5751779</b>	<b>692528</b>	<b>6444307</b>	<b>100.0000</b>	<b>5753162</b>	<b>691145</b>	<b>6444307</b>	<b>100.0000</b>	<b>0.0000</b>



(ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% Change in shareholding during the year	PAN
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares		
1	H R GLOBAL FINANCE LTD.	1128369	17.5095	80.6040	1128369	17.5095	80.6040	0.0000	AAACH6242E
2	H R INTERNATIONAL LTD.	1014595	15.7441	0.0000	1014595	15.7441	0.0000	0.0000	AAACH6677D
3	SHIV RATAN JHAWAR	90900	1.4105	0.0000	90900	1.4105	0.0000	0.0000	ACQPJ2013G
4	KRISHNA KUMAR JHAWAR	85000	1.3190	0.0000	85000	1.3190	0.0000	0.0000	ACUPJ9481G
5	ARUN KUMAR JHAWAR	80000	1.2414	0.0000	80000	1.2414	0.0000	0.0000	ABSPJ3847P
6	KAILASH KUMAR JHAWAR	60000	0.9311	0.0000	60000	0.9311	0.0000	0.0000	ACVPJ1312R
7	TARUN KUMAR MALL	50000	0.7759	100.0000	50000	0.7759	100.0000	0.0000	AFLPM7500D
	<b>TOTAL</b>	<b>2508864</b>	<b>38.9315</b>	<b>38.2448</b>	<b>2508864</b>	<b>38.9315</b>	<b>38.2448</b>	<b>0.0000</b>	

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

Sl. No.	NAME	Shareholding at the beginning [01/Apr/18] / end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]		PAN
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	H R GLOBAL FINANCE LIMITED 01/04/2018 31/03/2019	1128369 1128369	17.5095 17.5095	1128369	17.5095	AAACH6242E
2	H R INTERNATIONAL LIMITED 01/04/2018 31/03/2019	1014595 1014595	15.7441 15.7441	1014595	15.7441	AAACH6677D
3	ARUN KUMAR JHAWAR 01/04/2018 31/03/2019	80000 80000	1.2414 1.2414	80000	1.2414	ABSPJ3847P
4	SHIV RATAN JHAWAR 01/04/2018 31/03/2019	90900 90900	1.4105 1.4105	90900	1.4105	ACQPJ2013G
5	KRISHNA KUMAR JHAWAR 01/04/2018 31/03/2019	85000 85000	1.3190 1.3190	85000	1.3190	ACUPJ9481G
6	KAILASH KUMAR JHAWAR 01/04/2018 31/03/2019	60000 60000	0.9311 0.9311	60000	0.9311	ACVPJ1312R
7	TARUN KUMAR MALL 01/04/2018 31/03/2019	50000 50000	0.7759 0.7759	50000	0.7759	AFLPM7500D

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

SI. No.	NAME	Shareholding at the beginning [01/Apr/18] / end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]		PAN
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	ICICI BANK LIMITED 01/04/2018 31/03/2019	108200 108200	1.6790 1.6790	108200	1.6790	AAACI1195H
2	LIFE INSURANCE CORPORATION OF INDIA 01/04/2018 31/03/2019	27575 27575	0.4279 0.4279	27575	0.4279	AAACL0582H
3	VEDANSH TRADERS PRIVATE LIMITED 01/04/2018 31/03/2019	870000 870000	13.5003 13.5003	870000	13.5003	AAACV8876C
4	FANTASTIC HIRISE PRIVATE LIMITED 01/04/2018 31/03/2019	200000 200000	3.1035 3.1035	200000	3.1035	AABCF3817G
5	LINKUP VINTRADE PRIVATE LIMITED 01/04/2018 31/03/2019	100000 100000	1.5518 1.5518	100000	1.5518	AABCL8020H
6	UTMOST COMMERCIAL PRIVATE LIMITED 01/04/2018 31/03/2019	125000 125000	1.9397 1.9397	125000	1.9397	AABCU4205H
7	H R INFRACON LIMITED 01/04/2018 31/03/2019	780379 780379	12.1096 12.1096	780379	12.1096	AACCH1838E
8	NORTHCITY IMPEX PRIVATE LIMITED 01/04/2018 31/03/2019	125000 125000	1.9397 1.9397	125000	1.9397	AADCN9273C
9	VIEWMORE DEALERS PRIVATE LIMITED 01/04/2018 31/03/2019	125000 125000	1.9397 1.9397	125000	1.9397	AAECV1489M
10	MILESTONE VINTRADE PRIVATE LIMITED 01/04/2018 31/03/2019	200000 200000	3.1035 3.1035	200000	3.1035	AAGCM3519B
11	ALANKAR COMMOTRADE PRIVATE LIMITED 01/04/2018 31/03/2019	415000 415000	6.4398 6.4398	415000	6.4398	AAHCA3911A
12	SILVER COMMOSE PRIVATE LIMITED 01/04/2018 31/03/2019	125000 125000	1.9397 1.9397	125000	1.9397	AARCS2286A
13	SHIW KISHAN MALL 01/04/2018 31/03/2019	55000 55000	0.8535 0.8535	55000	0.8535	AEJPM7763B

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning	% of total Shares of the Company				No. of Shares	% of total Shares of the company
<b>A DIRECTORS</b>								
1	Sanjay Mall (Managing Directors)	NIL NIL	NIL NIL	01.04.2018 31.03.2019	No change in the shareholding during the year			
2	Sitansu Banerjee (WTD & CFO)	NIL NIL	NIL NIL	01.04.2018 31.03.2019	No change in the shareholding during the year			
3	Shankar Lal Jhawar (Director)	750 750	0.01 0.01	01.04.2018 31.03.2019	No change in the shareholding during the year			
4	Sankar Kumar Mukhopadhyay (Independent Director)	NIL NIL	NIL NIL	01.04.2018 31.03.2019	No change in the shareholding during the year			
5	Sudip Chandra Majumdar (Independent Director)	NIL NIL	NIL NIL	01.04.2018 31.03.2019	No change in the shareholding during the year			
6	Tapati Dutta (Independent Director)	NIL NIL	NIL NIL	01.04.2018 31.03.2019	No change in the shareholding during the year			
<b>B Key Managerial Personnel</b>								

## V. INDEBTEDNESS :

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7581.89	622	0	8204.13
ii) Interest due but not paid	0	26.67	0	26.67
iii) Interest accrued but not due	202.39	27.26	0	229.65
<b>Total (i+ii+iii)</b>	<b>7784.28</b>	<b>676.17</b>	<b>0</b>	<b>8460.45</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	382.79	1.5		384.29
• Reduction	274.83	30.32		305.15
<b>Net Change</b>	<b>107.96</b>	<b>-28.82</b>		<b>79.14</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7689.895	620.68		8310.53
ii) Interest due but not paid	0	26.67		26.67
iii) Interest accrued but not due	202.39	33.69		236.08
<b>Total (i+ii+iii)</b>	<b>7892.285</b>	<b>681.04</b>	<b>0</b>	<b>8573.28</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

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

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Sanjay Mall (MD)		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	7,20,000	-	7,20,000
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit Others			
5.	Others - House Rent			
	<b>Total (A)</b>	<b>7,20,000</b>		<b>7,20,000</b>
	<b>Ceiling as per the Act</b>	<b>As per Schedule V of the Companies Act, 2013.</b>		

**B. Remuneration to other Directors :**

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shankar Lal Jhawar	Sankar Kumar Mukhopadhyay	Sudip Chandra Mazumdar	Tapati Dutta	
1.	<b>Independent Directors</b>					
	• Fee for attending board/ committee meetings		10200	9600	9600	<b>29400</b>
	• Commission					
	• Others					
	<b>Total (1)</b>	<b>0</b>	<b>10200</b>	<b>9600</b>	<b>9600</b>	<b>29400</b>
2.	<b>Other Non-Executive Directors</b>					
	• Fee for attending board/ committee meetings	9600	0	0	0	<b>9600</b>
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	<b>9600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9600</b>
	<b>Total (B)=(1+2)</b>	<b>9600</b>	<b>10200</b>	<b>9600</b>	<b>9600</b>	<b>39000</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>759000.00</b>
	<b>Overall Ceiling as per the Act</b>	Non-Executive & Independent Directors are entitled to a maximum sitting fees of Rs.1,00,000/- per meeting per Director of the Board or Committee thereof.				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD : (in Rs.)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	NOT APPLICABLE		NOT APPLICABLE  (see Note below)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-		-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-		-
2	Stock Option		-		-
3	Sweat Equity		-		-
4	Commission - as % of profit		-		-
	Others		-		-
5	Others, please specify	-	-		
	<b>Total</b>	-	-		

**Note :** The total remuneration paid to Mr. Sitansu Banerjee as the Wholetime Director & CFO is shown under VIA above.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

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

For and on behalf of the Board

Sankar Kumar Mukhopadhyay      Tapati Dutta  
 Director                                      Director  
 [DIN : 00384975]                      [DIN : 07297020]

Place : Kolkata  
 Date : 10.07.2021

## CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of  
Howrah Mills Company Limited

I have examined the compliance of conditions of Corporate Governance by Howrah Mills Company Limited ("the Company") for the year ended on March 31, 2018 pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certifications.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent, relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In my opinion and to the best of my information and according to the explanations given and representations made by the Directors and the Management to me, I certify that the Company has not properly complied with the conditions of Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, non compliances and observations are mentioned in Secretarial Audit Report MR-3 which is enclosed with the Director Report.

I 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.

**SUPRABHAT CHAKRABORTY**  
**PRACTICISING COMPANY SECRETARY**  
Membership No. ACS 41030  
C. P. No. 15878

Place : Kolkata

Date : 15.07.2019

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HOWRAH MILLS COMPANY LIMITED,

### Report on the Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **HOWRAH MILLS COMPANY LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), the statement of changes in Equity, the Cash Flow statement for the year ended, including a summary of significant accounting policies and other explanatory information and notes to the financial statements (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below, which is unascertained and which will effect the net assets position of the company as at 31st March 2019 & loss for the year ended on even date**, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2019,
- (ii) in the case of the statement of profit & loss and other comprehensive income, of the loss for the year ended on that date,
- (iii) in the case of changes in equity for the year ended on that date; and
- (iv) in the case of the cash flow statement, of the cash flows for the year ended on that date

#### Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

We would like to draw attention to the following points as basis for qualified opinion:

- I. **Attention is invited to Note 3(XII) regarding non ascertainment of accrued Gratuity liability and interest thereon.**
- II. **The Company has not ascertained and made provision of interest and charges for non-payments on WB VAT, Service Tax, Income Tax, Tax deducted at source (TDS), Tax Collected at Source, Labour Welfare Fund, Provident Fund dues, ESI dues, Banks, financial institution and Lease rent payable to Kolkata Port Trust (KPT) related to earlier years (refer CARO clause VII & VIII). The reported financials might have consequential impact which remains unascertained.**
- III. **The Company has written off an amount of Rs. 72,40,90,660/- as Bad & Doubtful debts against its doubtful debtors. However, no provisions for bad and doubtful debts for loans and others receivables made by the Company. Moreover, no confirmations have been made available to us. The reported financials might have consequential impact on net profit or loss and net assets position of the company which remains unascertained. Moreover, the company has not taken any legal action before writing off bad debts.**
- IV. **Attention is invited that the balances of borrowings, trade payables, trade receivables, loans & advances are subject to confirmation/reconciliation. None of the above has been made available for our review. Moreover, we are not provided with statement of following banks:-**

#### Bank Name

1. Bank of India
3. S.B.I Com Branch I.F.C.I Lien A/C
5. State Bank Of India (E.E.F.C. A/C)
7. State Bank Of India A/c. No.31372688093 (Rajam)
9. Sbi Com. Br. Hmcl Eq .Dividend 2009-10
11. Sbi Com. Br. Hmcl Eq.Dividend 2011-12

#### Bank Name

2. SBI Bombay
4. S.B.I. Lien A/C.(Land Sale)
6. The Federal Bank Ltd.(Madras)
8. The Federal Bank Ltd (Pref.Dividend)
10. Sbi-Com. Br. Hmcl Eq.Dividend 2010-11
12. Sbi-Com.Br.Hmcl Eq.Dividend 2012-13

- V. **Confirmations or statements is not made available to us in respect of Bank deposits amounting to Rs. 73,41,000/- shown in Note 8 and the original receipts have not been produced before us for verification.**
- VI. **We have not been provided with limited review report for any quarter for the year ended 31<sup>st</sup> March 2019 and as informed by the management of the Company, no limited review was conducted during the year.**

- VII. The Company has not appointed any Company Secretary during the year which is not in compliance with section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- VIII. No Physical verification of inventories has been done by us therefore; we are not in position to make comment on valuation of Inventories. The reported financial statements might have consequential impact on the Net Profit/ Loss of the Company for the year ended 31st March, 2019 an consequently on the net assets position as at 31st March, 2019. The amount with respect to the same remains unascertained.
- IX. Three of the directors of the Company are disqualified by The ROC, Kolkata, West Bengal out of the total no. of six directors of the company. {Refer point no 2(f) of “Report on Other Legal and Regulatory Requirements” below}.
- X. Since the Managing Director and other Directors are disqualified, the Financial statement is signed by Independent Directors which in not in consonance with Section 134 of the Companies Act, 2013

#### 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matters	Auditors/ Response
1	<p><b>Evaluation of uncertain tax positions and disputed liabilities</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of pending tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>
2	<p><b>Recoverability of Indirect tax receivables</b></p> <p>As at March 31, 2019, Other Non-Current Assets includes: VAT Credit, MODVAT Credit, Service Tax receivables along with Export Incentive and Claims amounts to Rs. 610.28 lakhs which are pending adjudication.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
3	<p><b>Assessment of pending litigations and related disclosure of contingent liabilities</b></p> <p>(Refer to Note 45 to the standalone financial statements)</p> <p>As at March 31, 2019, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of pending litigations as at March 31, 2019 from management as far as made available to us.</p> <p>We discussed with management the recent developments and the status of the material litigations.</p> <p>We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements.</p>
4	<p><b>Assessment of carrying value of equity investments in subsidiaries, associates and joint ventures and fair value of other investments</b></p> <p>(Refer to Note 3(VI)(e) to the standalone financial statements)</p> <p>The Company has equity investments in various other companies.</p>	<p><b>Principal Audit Procedures</b></p> <p>We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment and fair valuation of material investments.</p>

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design,



implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 Boards of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone 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.

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

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above and non-compliance with IND AS-2 “Inventories” (refer CARO clause II) and IND AS-19 “Employee Benefits” in respect of non-ascertainment and non-provision of accrued gratuity liability and leave encashment (refer point i of Basis for qualified Opinion), in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The matters described in paragraph under the basis for qualified opinion paragraph, in our opinion may have adverse effect on the functioning of the company.
- f. On the basis of the written representations received from Mr. Sanjay Mall, Mr. Sitansu Banerjee and Mr. Shankar Lal Jhawar who are the directors of the Company as on 31st March, 2019 and taken on record by the Board of Directors, we report that they are disqualified from being appointed as director in terms of sub section (2) of section 164 of the Companies Act 2013.

**As far as other directors are concerned, on the basis of the written representations received from remaining independent directors and taken on record by the Board of Directors, we report that none of the said three independent directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act 2013.**

- g. With respect to adequacy of internal financial controls over financial reporting (IFCR) of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for the qualified opinion paragraph above.
- i. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is not in accordance with the provision of section 197 of the Act.

- j. 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the matters dealt with in the Basis for Qualified Opinion paragraph above, impact whereof is presently not ascertainable, the company has shown impact of pending litigations on its financial statements – Refer Note 45 to the financial statements.
- ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
- iii. **The Company has not deposited its preference shares dividend to the Investor Education and Protection Fund amounted to Rs. 5,80,125/-.**

**Apart from the above, there has been delay in transferring amounts of equity dividend also, which was required to be transferred, to the Investor Education and Protection Fund by the Company for the following years:**

Sl. No.	Financial Year	Amount (Rs.)
1	F.Y.2009-10	2,36,864.00
2	F.Y. 2010-11	2,31,861.00

For **B. Jain & Co.**  
Chartered Accountants  
Firm Regn. No. 307100E

Place : Kolkata  
Date : 29th June, 2019

B.C. Jain  
Partner  
Membership No.: 012181

**ANNEXURE 'A' TO AUDITORS' REPORT**

The annexure referred to in our Independent Auditors' Report to the member of the company on the financial statement of the year ended 31st March 2019, we report that:

1. In respect of its Fixed Assets:
  - a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As explained to us, some of the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As explained to us, no material discrepancies were noticed on such physical verification and **since we have not visited the factory premises hence, we cannot make any specific comment upon the same.**
  - 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 property are held in the name of the Company but **since all are in bank custody so we have not verified the same.**

2. In respect of Inventories:

**No Physical verification of any stock & stores has been done by us or by the management as the mill is running on lease basis by "M/S Premier Digital Solutions Private Limited". No material discrepancies were informed to us and so we could not comment upon the same.**

3. In respect of any loan granted:

According to the information and explanation given to us and on the basis of representation of the management we have relied upon, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013; hence clause 3(III)(c) of the Order is not applicable to the Company.

4. According to the information and explanation given to us and on the basis of representation of the management which we have relied upon, the loans and advances, if any, given by the Company are not covered by section 185 and 186 of the Companies Act, 2013.
5. **According to the information and explanations given to us, the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under except a loan taken from Vivek Sarda (individual) which has been shown under "Loan From Body Corporates" under Non-Current Liabilities..**
6. On the basis of records produced, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under section 148 (1) of the Act have been maintained by the Company. However, we have not carried out any detailed examination of such cost records.
7. In respect of Statutory Dues:

- a. According to information and explanation given to us to, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities. Further, as per the records of the Company, there were no undisputed amounts of arrears payable in respect of such statutory dues which have remained outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable except the followings:

Period to which the amount relates	Nature of dues	Amount in lacs (₹)
2006-07 to 2018-19	Service Tax	225.94
2014-15 to 2018-19	Tax Deducted at Source & Tax Collected at Source	36.99 0.70
2014-15 to 2018-19	Professional Tax	23.56
2014-15 to 2018-19	Provident Fund	977.96
2012-13 to 2018-19	Employee State Insurance (ESIC)	68.29
Upto 2018-19	Central Sales Tax	49.57
Upto 2018-19	Corporate Dividend Tax	9.64
Upto 2018-19	Cess on Jute	28.45
Upto 2018-19	Goods and Service Tax	50.77

- b. According to information and explanation given to us, the following dues are not deposited on accounts of disputes pending at various forums.

Period to which the amount relates	Statute	Forum where the dispute is pending	Amount in lacs (₹)
2004-2005*	Sales Tax	Sales Tax Appellate Revision Board	205.90
Various years*	Excise Duty	Central board of excise and customs	1800.00
Various years	Service Tax	Commissioner of Service Tax-II, Kolkata	653.79
Various years	Service Tax	Directorate General of Goods & Service Tax Intelligence, Kolkata Zonal Unit	301.00
Asst. year 2014-15	Income Tax	Commissioner of Income tax (Appeals)	131.04
Asst. year 2012-13	Income Tax	Commissioner of Income tax (Appeals)	182.64
Asst. year 2009-10	Income Tax	Income Tax (Interest portion)	3.55
Asst. year 2010-11	Income Tax	Commissioner of Income tax (Appeals)	35.89
Period Not known	Urban Land	Urban Land Ceiling Department	1.54

\* Documents in relation to it is not provided to us and is relied totally on management representation received from client.

8. According to the information and explanations given to us, the details of defaults in the repayment of borrowings to the banks as at 31st March, 2019 are given below.

Particulars of dues to banks	Amount (in lacs) of default of repayment (₹)	Period of default
	Principal & Interest	
J.M. Financial Asset Reconstruction Company Private Limited	3517.16	March 2016
	During the year 2015-16 The Federal Bank has been assigned this amount to J.M. Financial Asset Reconstruction Company Private Limited	
State Bank of India	4,191.54	March 2017

9. According to the information and explanation given us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(IX) of the Order is not applicable to the Company.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2019.
11. During the year the Company has paid/provided Managerial Remuneration as per the provisions of section 197 read with schedule V to Companies Act, 2013.
12. The Company is not a Nidhi Company. Hence the criteria of meeting Net owned funds and maintaining of Liquid Assets is not applicable for the Company.
- 13. The Company has entered into transactions with related parties in the ordinary course of business during the year and the same has been disclosed in Notes to Accounts and hence the Company has complied with section 188 of the Companies Act, 2013 and the clause in relation to Section 177 of the Companies Act 2013 is applicable to the company and are non-compliant.**
14. The Company has not made any preferential Allotment/ private placement during the year. Hence the provisions of section 42 of the Companies Act, 2013 is not applicable to the Company.
15. Based upon the audit procedures performed and information and explanations given by the management the Company has not entered into any Non cash transactions with the directors or persons connected with him. So, the provision of section 192 of the Companies Act, 2013 is not applicable to the Company.
16. The Company is not a NBFC, and hence it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B. Jain & Co.**  
Chartered Accountants  
Firm Regn. No. 307100E

B.C. Jain  
Partner  
Membership No.: 012181

Place : Kolkata  
Date : 29th June, 2019

**“ANNEXURE B” TO THE AUDITORS’ REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **HOWRAH MILLS COMPANY LIMITED** (‘the Company’) as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date. “

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of the Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. Jain & Co.**  
Chartered Accountants  
Firm Regn. No. 307100E

Place : Kolkata  
Date : 29th June, 2019

B.C. Jain  
Partner  
Membership No.: 012181

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Notes	Amount in ₹	
		<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
<b>ASSETS</b>			
<b>I. Non-Current Assets</b>			
a) Property, Plant and Equipment	4	284,899,386	310,099,216
b) Capital work in progress		12,070,381	5,408,729
c) Investment Property	4	-	-
d) Intangible Asset	4	453,106	637,447
e) Financial Assets			
i) Investments	5	22,969,204	22,969,204
ii) Trade Receivables	6	102,445,128	970,547,133
iii) Loans	7	60,840,309	60,710,727
iv) Other Financial Assets	8	8,910,980	8,910,980
f) Deferred Tax Assets (Net)	9	4,000,000	4,000,000
g) Other non-current assets	10	71,398,345	71,398,344
		<u>567,986,839</u>	<u>1,454,681,780</u>
<b>II. Current Assets</b>			
a) Inventories	11	10,216,344	29,149,670
b) Financial Assets			
i) Trade Receivables	12	30,150,390	61,815,250
ii) Cash and Cash Equivalents	13	1,691,715	17,354,470
iii) Loans	14	1,853,600	1,853,600
iv) Other Financial Assets	15	6,727,105	4,779,945
c) Current Tax Assets (Net)	16	14,003,365	10,950,658
d) Other Current Assets	17	240,957,020	215,635,132
		<u>305,599,539</u>	<u>341,538,725</u>
		<u>873,586,378</u>	<u>1,796,220,505</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>III. Equity</b>			
a) Equity Share Capital	18	64,443,070	64,443,070
b) Other Equity	19	(931,902,386)	(235,250,277)
		<u>(867,459,316)</u>	<u>(170,807,207)</u>
<b>IV. Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	351,716,229	351,916,229
ii) Trade Payables	21	45,621,307	45,099,800
iii) Other Financial Liabilities	22	17,578,324	161,843,360
b) Provisions	23	-	-
c) Other Non Current Liabilities	24	312,484,721	345,273,331
		<u>727,400,581</u>	<u>904,132,720</u>

**BALANCE SHEET AS AT 31ST MARCH, 2019 (Contd.)**

Particulars	Notes	Amount in ₹	
		<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
<b>V. Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	25	519,646,322	514,537,976
ii) Trade Payables	26	247,016,465	392,058,388
iii) Other Financial Liabilities	27	36,086,033	47,826,824
b) Other Current Liabilities	28	210,896,294	108,471,804
c) Provisions	29	-	-
d) Current Tax Liabilities (Net)	30	-	-
		<u>1,013,645,114</u>	<u>1,062,894,992</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>873,586,378</u>	<u>1,796,220,505</u>
Significant Accounting Policies	3		
See Accompanying Notes to Financial Statements	4-52		

As per our Report attached of even date

For **B. Jain & Co.**  
Chartered Accountants  
Firm's Regn. No. : 307100E

**(CA B. C. Jain)**  
Partner  
Membership No. : 012181

Place : Kolkata  
Date : 29th day of June, 2019

For and on behalf of the Board of Directors  
HOWRAH MILLS COMPANY LIMITED

**Shankar Kumar Mukhopadhyay**  
(Director)  
(DIN-0384975)

**Tapati Dutta**  
(Director)  
(DIN-07297020)

**Sudip Chandra Majumdar**  
(Director)  
(DIN-07295984)



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Notes	Amount in ₹	
		For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I. INCOME</b>			
Revenue from Operations	31	103,213,948	241,407,727
Other Income	32	23,038,134	38,638,310
<b>Total Income</b>		<b>126,252,082</b>	<b>280,046,037</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	33	18,933,326	78,505,463
Purchase of Stock in Trade	34	14,469,231	91,163,517
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	35	-	5,942,209
Employee Benefits Expense	36	8,540,790	13,502,397
Finance Costs	37	12,505,917	10,647,894
Depreciation and Amortization Expense	4	16,680,032	20,233,308
Other Expenses	38	751,774,896	182,867,665
<b>Total Expenses</b>		<b>822,904,192</b>	<b>402,862,454</b>
<b>III. Profit before exceptional items and Tax</b>		<b>(696,652,110)</b>	<b>(122,816,417)</b>
<b>IV. Exceptional items</b>		-	-
<b>V. Profit before Tax from continuing operations</b>		<b>(696,652,110)</b>	<b>(122,816,417)</b>
<b>VI. Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	-
Earlier Year Tax		-	-
MAT Credit Entitlement		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>VII. Profit for the period</b>		<b>(696,652,110)</b>	<b>(122,816,417)</b>
<b>VIII. Other Comprehensive Income / (Loss)</b>			
<b>A. (i) Items that will not be reclassified subsequently to Profit and Loss</b>			
(a) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans		-	-
(b) Equity Instrument through Other Comprehensive Income		-	-
(ii) Tax on Items that will not be reclassified subsequently to Profit and Loss		-	-
<b>IX. Total Comprehensive Income for the period</b>		<b>(696,652,110)</b>	<b>(122,816,417)</b>
<b>X. Basic and Diluted Earnings per Equity Share of Face Value of Rs 10/- each</b>	41	<b>Rs. -108.10</b>	<b>Rs. -19.06</b>
Significant Accounting Policies	3		
See Accompanying Notes to Financial Statements	4-52		

As per our Report attached of even date

For **B. Jain & Co.**  
Chartered Accountants  
Firm's Regn. No. : 307100E

**(CA B. C. Jain)**  
Partner  
Membership No. : 012181

Place : Kolkata  
Date : 29th day of June, 2019

For and on behalf of the Board of Directors  
HOWRAH MILLS COMPANY LIMITED

**Shankar Kumar Mukhopadhyay**  
(Director)  
(DIN-0384975)

**Tapati Dutta**  
(Director)  
(DIN-07297020)

**Sudip Chandra Majumdar**  
(Director)  
(DIN-07295984)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	<u>Amount in ₹</u>	
	<u>For the year ended 31st March, 2019</u>	<u>For the year ended 31st March, 2018</u>
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax :	(696,652,110)	(122,816,417)
<b>Adjustment for:</b>		
Depreciation/ Amortisation	16,680,032	20,233,308
Bad Debts written off	724,090,660	-
Finance Cost	12,505,917	10,647,894
Interest income	(1,860,224)	(1,863,253)
Profit on Fixed Assets Sold / Discarded (Net)	(19,174,493)	(31,612,885)
Dividend on Shares	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>35,589,783</b>	<b>(125,411,352)</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Non-Current/Current Financial and Other Assets	149,059,402	(112,870,734)
(Increase)/Decrease in Inventories	18,933,326	(12,991,117)
Increase/(Decrease) in Non-Current/Current Financial and Other Liabilities/Provisions	(230,890,363)	227,329,418
<b>Cash Generated from Operations</b>	<b>(27,307,853)</b>	<b>(23,943,785)</b>
Direct Taxes Paid	(3,052,707)	(8,165,584)
Exceptional Items	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(30,360,560)</b>	<b>(32,109,369)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment and Investment Property	(6,783,020)	(5,408,729)
Sale of Property, Plant & Equipment and Investment Property	28,000,000	52,767,920
Purchase of investments	-	-
Loans (Given)/ Repaid	-	(250,000)
Interest Received	1,078,396	1,118,328
Dividend Received	-	-
<b>Net Cash Flow from/(Used in) Investing Activities</b>	<b>22,295,376</b>	<b>48,227,518</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(Repayment) / Proceeds from Long Term Borrowings	(200,000)	(30,766,226)
(Repayment) / Proceeds from Short Term Borrowings	5,108,346	39,892,028
Interest Paid	(12,505,917)	(10,647,894)
<b>Net Cash Flow From/(Used in ) Financing Activities</b>	<b>(7,597,571)</b>	<b>(1,522,092)</b>
<b>D Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(15,662,755)</b>	<b>14,596,058</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>17,354,470</b>	<b>2,758,412</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>1,691,715</b>	<b>17,354,470</b>

Note: Previous year's figures have been rearranged and regrouped wherever necessary.

As per our Report attached of even date

For **B. Jain & Co.**  
Chartered Accountants  
Firm's Regn. No. : 307100E

**(CA B. C. Jain)**  
Partner  
Membership No. : 012181

Place : Kolkata  
Date : 29th day of June, 2019

For and on behalf of the Board of Directors  
**HOWRAH MILLS COMPANY LIMITED**

**Shankar Kumar Mukhopadhyay**  
(Director)  
(DIN-0384975)

**Tapati Dutta**  
(Director)  
(DIN-07297020)

**Sudip Chandra Majumdar**  
(Director)  
(DIN-07295984)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

### A. Equity Share Capital

	Amount in Rs.
<b>Balance as at April 01, 2017</b>	<b>64,443,070</b>
Changes in Equity Share Capital during the year 2017-18	-
<b>Balance as at March 31, 2018</b>	<b>64,443,070</b>
Changes in Equity Share Capital during the year 2018-19	-
<b>Balance as at March 31, 2019</b>	<b>64,443,070</b>

### B. Other Equity

Particulars	Reserves and Surplus										Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Revaluation Reserve	Amalgamation Reserve	Investment Allowance Reserve	General Reserve	Retained Earnings				
<b>Balance as at April 01, 2017</b>	4,073,671	74,400,000	2,625,000	54,984,830	1,789,207	129,150	56,067,089	(308,964,616)	-	-	(114,895,669)	
Profit for the period / Addition during the period	-	-	-	-	-	-	-	(122,816,417)	-	-	(122,816,417)	
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance as at March 31, 2018</b>	<b>4,073,671</b>	<b>74,400,000</b>	<b>2,625,000</b>	<b>54,984,830</b>	<b>1,789,207</b>	<b>129,150</b>	<b>56,067,089</b>	<b>(431,781,033)</b>	<b>-</b>	<b>-</b>	<b>(237,712,086)</b>	
<b>Balance as at April 01, 2018</b>	4,073,671	74,400,000	2,625,000	54,984,830	1,789,207	129,150	56,067,089	(431,781,033)	-	-	(237,712,086)	
Profit for the period / Addition during the period	-	-	-	-	-	-	-	(696,652,110)	-	-	(696,652,110)	
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance as at March 31, 2019</b>	<b>4,073,671</b>	<b>74,400,000</b>	<b>2,625,000</b>	<b>54,984,830</b>	<b>1,789,207</b>	<b>129,150</b>	<b>56,067,089</b>	<b>(1,128,433,142)</b>	<b>-</b>	<b>-</b>	<b>(934,364,195)</b>	

### As per our Report attached of even date

For **B. Jain & Co.**

Chartered Accountants

Firm's Regn. No. : 307100E

**(CA B. C. Jain)**

Partner

Membership No. : 012181

Place : Kolkata

Date : 29th day of June, 2019

For and on behalf of the Board of Directors  
HOWRAH MILLS COMPANY LIMITED

**Shankar Kumar Mukhopadhyay**  
(Director)

(DIN-0384975)

**Tapati Dutta**  
(Director)

(DIN-07297020)

**Sudip Chandra Majumdar**  
(Director)

(DIN-07295984)

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019****NOTE 1 : COMPANY OVERVIEW**

Howrah Mills Company Limited (“the Company”) is a listed public limited company incorporated in India having its registered office situated at “Howrah House” 135, Foreshore Road, Howrah - 711 102. The Company is primarily engaged in the business of manufacturing and trading of jute products, real estate and other allied activities. The Company is also engaged in earning “Rental Income” from Renting out Property and lease income.

**NOTE 2 : BASIS OF PREPARATION OF FINANCIAL STATEMENTS****I) Statement of Compliance**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 (“Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with relevant Rules which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 49.

**II) Basis of Measurement**

The Standalone financial statements have been prepared on historical cost convention on the accrual basis. The Company has not recognised their assets in fair market value, wherever required. Few of the cases are summarised as below:

- (i) Certain financial assets and financial liabilities; and
- (ii) Employee’s defined benefit plan.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**III) Use of Estimates and Judgments**

The preparation of the Company’s Standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

**IV) Critical Accounting Estimates and Key Sources of Estimation Uncertainty: Key Assumptions****(a) Useful Lives of Property, Plant and Equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(II) and 4 for details.

**(b) Fair Value Measurement of Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(VII) and Note 47 for details.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019****(c) Defined Benefit Plan**

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(XII) and 44 for details.

**(d) Recognition of Current Tax and Deferred Tax**

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is 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 the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(XV) and 35 for details.

**(e) Recognition and Measurement of Provisions and Contingencies**

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(IX) and 36 for details.

**NOTE 3 : SIGNIFICANT ACCOUNTING POLICIES****I) Revenue Recognition**

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of revenue transaction as below:

Principles of Ind AS 18 in respect of sale of goods for recognising revenue, costs and profits from transactions of real estate which are in substance similar to delivery of goods when the revenue recognition process is completed; and

In case of real estate sales where agreement for sale is executed for under construction properties, revenue in respect of individual contracts is recognised when performance on the contract is considered to be completed.

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognized using the effective interest method. Effective Interest Rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Share of profit/ loss from firms in which the Company is a partner is accounted for in the financial year ending on (or immediately before) the date of the balance sheet. All other income are recognized on accrual basis.

**II) Property, Plant & Equipment****Recognition and Initial measurement**

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**Subsequent measurement (depreciation and useful lives)**

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on written down value method over the estimated useful lives of property, plant and equipment and are in line with the requirement of Part C of Schedule II of the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other 'Non-Current Assets' Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019****De-recognition**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

**III) Investment Properties****Recognition and Initial measurement**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**Subsequent measurement (depreciation and useful lives)**

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on written down value method over the estimated useful lives of investment property and are in line with the requirement of Part C of Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**IV) Intangible Assets****Recognition and Initial measurement**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

**Subsequent measurement (amortisation)**

The cost of capitalised software is amortized over a period of 4 years from the date of its acquisition.

Intangible Assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortization expense on Intangible Assets with finite lives is recognized in the Statement of Profit & Loss. The Company amortizes intangible assets over their estimated useful lives using the straight line method.

Intangible Assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is derecognized.

**V) Inventories**

Inventories are valued at lower of cost or Net Realisable value, except for construction-work-in progress which is valued at cost.

Construction-work-in progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019****VI) Financial Instruments****Initial recognition and measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

**Subsequent measurement****Non derivative financial instruments****a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect 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 on the principal amount outstanding. After initial measurement, such financial instruments are subsequently measured at amortised cost using the effective interest rate method.

**b) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

**c) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**d) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**e) Investment in subsidiaries, associates and joint ventures**

Investments subsidiaries, associates and joint ventures are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements. and Ind AS 28 Investments in Associates and Joint Ventures.

**f) Investment in other equity instruments**

Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless dividend clearly represents a recovery of part of the cost of the investment.

**De-recognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**VII) Fair Value Measurement**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

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

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019**

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**VIII) Impairment**

Impairment is recognized based on the following principles:

**Financial Assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**Non-Financial Assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**IX) Provisions, Contingent Assets and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**X) Foreign Currency Transactions & Translations****Functional and presentation currency**

The financial statements are presented in Indian Rupees (Rs) which is also the functional and presentation currency of the Company.

**Transactions and balances**

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

**XI) Cash and Cash Equivalents**

Cash and Cash Equivalent 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 changes in value.

**XII) Employee Benefits****Defined Contribution Plan**

The Company currently not making any contributions towards provident fund and employees state insurance to the regulatory authorities to a defined contribution retirement benefit plan for any employees.



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2019****Defined Benefit Plan**

Gratuity and leave encashment are accounted for on cash basis.

Gratuity is paid to employees under the Payment of Gratuity Act 1972 at the time of retirement. Due to severe financial constraints, provision for future liability of gratuity and leave encashment could not be made; hence it was not determined actuarially.

**XIII) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**XIV) Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit & Loss over the lease term.

**XV) Taxation**

Income tax expense is recognized in the Statement of Profit & Loss except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. However, considering the reasonable uncertainty of reversal of timing difference management decided not to recognise deferred tax asset.

**XVI) Earnings per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**XVII) Operating Segment**

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS-108, the Company's operating operation comprises of only two primary segment viz. construction and rental income. The Company also believes that even geographically, the Company faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

**XVIII) Current and 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:

- i) expected to be realised or intended to be sold or consumed in the normal operating cycle,

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2019**

- ii) held primarily for the purpose of trading,
- iii) expected to be realised within twelve months after the reporting period, or
- iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is:

- i) it is expected to be settled in the normal operating cycle,
- ii) it is due to be settled within twelve months after the reporting period, or
- iii) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

**XIV)Recent Accounting Pronouncements****Ind AS 115 – Revenue from Contracts with Customers**

The Company is currently evaluating the impact of implementation of Ind AS 115 “Revenue from Contracts with Customers” which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact.

**Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTE 4 : Property, Plant & Equipment, Investment Property and Intangible Asset**

Amount in Rs.

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 1st April 2018	Addition	Deletion/ Adjustment	As at 31st March 2019	As at 1st April 2018	Deductions/ Adjustments	For the Year	Up to 31st March 2019	As at 31st March 2019	As at 31st March 2018
<b>(a) Property, Plant &amp; Equipment (Current Year)</b>										
<b>Tangible Assets :</b>										
a) Land	109,133,754	-	-	109,133,754	-	-	-	-	109,133,754	109,133,754
b) Buildings	445,424,083	-	12,928,217	432,495,866	299,910,245	4,102,710	8,922,836	304,730,371	127,765,495	145,513,838
c) Plant & Machinery	537,210,688	-	-	537,210,688	486,341,778	-	7,007,936	493,349,714	43,860,974	50,868,910
d) Electric Installation	48,231,476	-	-	48,231,476	44,935,758	-	463,736	45,399,494	2,831,982	3,295,718
e) Furniture & Fixture	3,641,525	67,797	-	3,709,322	3,385,786	-	55,516	3,441,302	268,020	255,739
f) Vehicles	679,271	-	-	679,271	653,624	-	7,058	660,682	18,589	25,647
g) Computer	7,850,689	-	-	7,850,689	7,463,736	-	5,020	7,468,756	381,933	386,953
h) Office Equipment	12,215,264	53,571	-	12,268,835	11,596,607	-	33,589	11,630,196	638,639	618,657
<b>Total</b>	<b>1,164,386,750</b>	<b>121,368</b>	<b>12,928,217</b>	<b>1,151,579,901</b>	<b>854,287,534</b>	<b>4,102,710</b>	<b>16,495,691</b>	<b>866,680,515</b>	<b>284,899,386</b>	<b>310,099,216</b>
<b>(b) Intangible Asset (Current Year)</b>										
<b>Intangible Asset :</b>										
a) Computer Software	1,843,412	-	-	1,843,412	1,205,965	-	184,341	1,390,306	453,106	637,447
<b>Total</b>	<b>1,843,412</b>	<b>-</b>	<b>-</b>	<b>1,843,412</b>	<b>1,205,965</b>	<b>-</b>	<b>184,341</b>	<b>1,390,306</b>	<b>453,106</b>	<b>637,447</b>

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTE 4 : Property, Plant & Equipment, Investment Property and Intangible Asset (Contd.)**

**Amount in Rs.**

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 1st April 2017	Addition	Deletion/ Adjustment	As at 31st March 2018	As at 1st April 2017	Deductions/ Adjustments	For the Year	Up to 31st March 2018	As at 31st March 2018	As at 31st March 2017
<b>(c) Property, Plant &amp; Equipment (Previous Year)</b>										
<b>Tangible Assets :</b>										
a) Land	109,133,754	-	-	109,133,754	-	-	-	-	109,133,754	109,133,754
b) Buildings	474,890,606	-	29,466,523	445,424,083	298,884,554	9,651,741	10,677,432	299,910,245	145,513,838	176,006,052
c) Plant & Machinery	537,210,688	-	-	537,210,688	477,810,735	-	8,531,043	486,341,778	50,868,910	59,399,953
d) Electric Installation	47,395,008	-	(836,468)	48,231,476	44,237,174	-	698,584	44,935,758	3,295,718	3,157,834
e) Furniture & Fixture	3,627,501	-	(14,024)	3,641,525	3,323,841	-	61,945	3,385,786	255,739	303,660
f) Vehicles	679,271	-	-	679,271	643,638	-	9,986	653,624	25,647	35,633
g) Computer	7,610,637	-	(240,052)	7,850,689	7,428,323	-	35,413	7,463,736	386,953	182,314
h) Office Equipment	12,184,251	-	(31,013)	12,215,264	11,562,043	-	34,564	11,596,607	618,657	622,208
<b>Total</b>	<b>1,192,731,716</b>	<b>-</b>	<b>28,344,966</b>	<b>1,164,386,750</b>	<b>843,890,308</b>	<b>9,651,741</b>	<b>20,048,967</b>	<b>854,287,534</b>	<b>310,099,216</b>	<b>348,841,408</b>
<b>(d) Intangible Asset (Previous Year)</b>										
<b>Intangible Asset :</b>										
a) Computer Software	1,843,412	-	-	1,843,412	1,021,624	-	184,341	1,205,965	637,447	821,788
<b>Total</b>	<b>1,843,412</b>	<b>-</b>	<b>-</b>	<b>1,843,412</b>	<b>1,021,624</b>	<b>-</b>	<b>184,341</b>	<b>1,205,965</b>	<b>637,447</b>	<b>821,788</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>As at 31st March, 2019</u>	<u>Amount in ₹ As at 31st March, 2018</u>
<b>NOTE 5 : INVESTMENTS (NON-CURRENT)</b>		
<b>Investment in Equity Instruments - Unquoted Shares</b>		
<b>Investment carried at Amortised Cost</b>		
West Bengal Agro Textile Corporation Limited 17,955 (17,955) Shares of Rs. 1,000/- each fully paid up	22,625,344	22,625,344
Woodland Multispeciality Hospital limited 3,810 (3,810) Shares of Rs. 10/- each fully paid up	38,100	38,100
HMC Jute Park Enterprises Limited 9,000 (9,000) Shares of Rs. 10/- each fully paid up	90,000	90,000
HMC Power Companies Limited 9,000 (9,000) Shares of Rs. 10/- each fully paid up	90,000	90,000
<b>Investment in Others</b>		
Investments in Gold carried at Cost	118,760	118,760
Investments in NSC carried at Cost	7,000	7,000
<b>Total</b>	<b><u>22,969,204</u></b>	<b><u>22,969,204</u></b>
(a) Aggregate amount of quoted investments and market value thereof;	-	-
(b) Aggregate amount of unquoted investments	22,969,204	22,969,204
<b>NOTE 6 : TRADE RECEIVABLES (NON-CURRENT)</b>		
<b>Financial Assets carried at Amortised Cost</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	102,445,128	970,547,133
Doubtful	-	-
	<u>102,445,128</u>	<u>970,547,133</u>
Less: Allowance for bad and doubtful debts	-	-
<b>Total</b>	<b><u>102,445,128</u></b>	<b><u>970,547,133</u></b>
<b>NOTE 7 : LOANS (NON-CURRENT)</b>		
<b>Financial Assets carried at Amortised Cost</b>		
<b>(Unsecured, Considered Good)</b>		
a Security Deposits	25,200,237	24,270,655
b Other Loans	35,640,072	36,440,072
<b>Total</b>	<b><u>60,840,309</u></b>	<b><u>60,710,727</u></b>
<b>NOTE 8 : OTHER FINANCIAL ASSETS (NON-CURRENT)</b>		
<b>Financial Assets carried at Amortised Cost</b>		
<b>(Unsecured, Considered Good)</b>		
Unpaid Dividend Account	1,569,980	1,569,980
Fixed Deposits with Banks with original maturity of - More than 12 months	7,341,000	7,341,000
<b>Total</b>	<b><u>8,910,980</u></b>	<b><u>8,910,980</u></b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>As at 31st March, 2019</u>	<u>Amount in ₹</u>	
		<u>As at 31st March, 2018</u>	
<b>NOTE 9 : DEFERRED TAX ASSETS (NET)</b>			
<b>Deferred Tax Asset</b>			
Timing difference in depreciable assets	-	-	-
Expenses allowable against taxable income in future years	-	-	-
<b>Deferred Tax Liability</b>			
Equity Instrument	-	-	-
Loans measured at amortised cost	-	-	-
<b>MAT Credit Entitlement</b>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>
	<u><b>4,000,000</b></u>	<u><b>4,000,000</b></u>	<u><b>4,000,000</b></u>
<b>Movement of Deferred Tax Assets/Liabilities Balances</b>			
	<b>Opening Balance</b>	<b>Recognised in PL</b>	<b>Recognised in OCI</b>
<b>2018-19</b>			
<b>Deferred Tax Assets/liabilities in relation to:</b>			
Equity Instrument	-	-	-
Loans measured at amortised cost	-	-	-
<b>Total Deferred Tax Liability</b>	<u>-</u>	<u>-</u>	<u>-</u>
Timing difference in depreciable assets	-	-	-
Expenses allowable against taxable income in future years	-	-	-
<b>Total Deferred Tax Asset</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Tax Asset (Net)</b>	-	-	-
<b>2017-18</b>			
<b>Deferred Tax Assets/liabilities in relation to:</b>			
Equity Instrument	-	-	-
Loans measured at amortised cost	-	-	-
<b>Total Deferred Tax Liability</b>	<u>-</u>	<u>-</u>	<u>-</u>
Timing difference in depreciable assets	-	-	-
Expenses allowable against taxable income in future years	-	-	-
<b>Total Deferred Tax Asset</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Tax Asset (Net)</b>	-	-	-
<b>NOTE 10 : OTHER NON-CURRENT ASSETS</b>			
<b>(Unsecured, Considered Good)</b>			
a Advances other than capital advances			
<u>Other advances</u>			
Claims and other receivables	6,025,107	6,025,107	6,025,107
Vat Credit Receivable	10,556,292	10,556,292	10,556,292
ModVat Credit Receivable	314,578	314,578	314,578
Service Tax Receivable	2,563,219	2,563,219	2,563,219
I.J.M.A Reserve Fund	48,500	48,500	48,500
<b>(Unsecured, Doubtful)</b>			
a Advances other than capital advances			
<u>Other advances</u>			
Export Incentives Receivable	47,593,826	47,593,826	47,593,826
Claims and other receivables	4,296,822	4,296,822	4,296,822
	<u><b>51,890,648</b></u>	<u><b>51,890,648</b></u>	<u><b>51,890,648</b></u>
<b>Total</b>	<u><b>71,398,344</b></u>	<u><b>71,398,344</b></u>	<u><b>71,398,344</b></u>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>As at 31st March, 2019</u>	<u>Amount in ₹</u> <u>As at 31st March, 2018</u>
<b>NOTE 11 : INVENTORIES</b>		
<b>(Carried at Lower of Cost and Net Realisable Value)</b>		
Raw Materials	1,517,516	20,450,842
Work-in-Process	-	-
Finished Goods	1,990,935	1,990,935
Stores, Spares & Loose Tools	6,707,893	6,707,893
<b>Total</b>	<b><u>10,216,344</u></b>	<b><u>29,149,670</u></b>
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	-	5,942,209
<b>NOTE 12 : TRADE RECEIVABLES</b>		
<b>Financial Assets carried at Amortised Cost</b>		
<b>(Unsecured, Considered Good)</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	30,150,390	61,815,250
Doubtful	-	-
<b>Total</b>	<b><u>30,150,390</u></b>	<b><u>61,815,250</u></b>
<b>NOTE 13 : CASH AND CASH EQUIVALENTS</b>		
<b>Financial Assets carried at Amortised Cost</b>		
Balances with Banks in Current Accounts	1,481,252	17,050,328
Cash in hand	210,463	304,142
<b>Total</b>	<b><u>1,691,715</u></b>	<b><u>17,354,470</u></b>
<b>NOTE 14 : LOANS (CURRENT)</b>		
<b>Financial Assets carried at Amortised Cost</b>		
<b>(Unsecured, Considered Good)</b>		
Security Deposit		
Loans - Bodies Corporate	1,853,600	1,853,600
<b>Total</b>	<b><u>1,853,600</u></b>	<b><u>1,853,600</u></b>
<b>NOTE 15 : OTHER FINANCIAL ASSETS (CURRENT)</b>		
<b>Financial Assets carried at Amortised Cost</b>		
<b>(Unsecured, Considered Good)</b>		
Interest Accrued on Fixed Deposit	5,561,773	4,779,945
Advances paid to creditors	1,165,332	-
<b>Total</b>	<b><u>6,727,105</u></b>	<b><u>4,779,945</u></b>
<b>NOTE 16 : CURRENT TAX ASSETS (NET)</b>		
Income Tax Payment (Net of Provision)	14,003,365	10,950,658
	<b><u>14,003,365</u></b>	<b><u>10,950,658</u></b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>As at 31st March, 2019</u>	<u>Amount in ₹</u> <u>As at 31st March, 2018</u>
<b>NOTE 17 : OTHER CURRENT ASSETS</b>		
<b>(Unsecured, Considered Good)</b>		
SBI - No Lien Account (Deposit against OTS scheme)	23,864,333	6,000,000
Advance to Employees	1,988,277	2,033,378
Balances with Statutory Authorities	-	-
Advance to Suppliers	208,436,928	192,688,925
Other miscellaneous advances	2,519,313	10,782,821
Prepaid expenses	-	-
Other receivables	4,148,169	4,130,008
<b>Total</b>	<b><u>240,957,020</u></b>	<b><u>215,635,132</u></b>

**NOTE 18 : EQUITY SHARE CAPITAL****a) Authorised:**

6,737,500 (31st March 2018- 6,737,500) Equity Shares of Rs 10/- each	<b>67,375,000</b>	67,375,000
26,250 (31st March 2018- 26,250) 9.1% Cumulative Redeemable Preference Shares of Rs 100/- each	<b>2,625,000</b>	2,625,000
	<b><u>70,000,000</u></b>	<b><u>70,000,000</u></b>

**b) Issued, Subscribed and Paid-up Capital**

64,44,307 (31st March 2018 - 64,44,307) Equity Shares of Rs 10/- each fully paid up	<b>64,443,070</b>	64,443,070
	<b><u>64,443,070</u></b>	<b><u>64,443,070</u></b>

**c) Details of shareholders holding more than 5% shares in the Company**

<b>Name of Shareholders</b>	<b>No. of shares</b>	<b>% Holding</b>	<b>No. of shares</b>	<b>% Holding</b>
HR Global Finance Limited	1,128,369	17.51%	1,128,369	17.51%
HR International Limited	1,014,595	15.74%	1,014,595	15.74%
Vedansh Traders Private Limited	870,000	13.50%	870,000	13.50%
HR Infracon Limited	780,379	12.11%	780,379	12.11%
Alankar Commotrade Private Limited	415,000	6.44%	415,000	6.44%

**d) Reconciliation of the shares outstanding is set out below:**

<b>Particulars</b>	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
At the beginning of the period	<b>6,444,307</b>	<b>64,443,070</b>	6,444,307	64,443,070
Add : Shares Issued	-	-	-	-
Less : Shares cancelled	-	-	-	-
<b>Outstanding at the end of the period</b>	<b><u>6,444,307</u></b>	<b><u>64,443,070</u></b>	<b><u>6,444,307</u></b>	<b><u>64,443,070</u></b>

**e) Terms/rights attached to each class of shares****Equity Shares:**

The Company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- f) 17,757 Equity Shares of Rs 10 /- each were allotted as fully paid up shares on 28/03/2009 ,pursuant to a Scheme of Amalgamation sanctioned by the Hon'ble High Court at Calcutta, without consideration being received in cash.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
<b>Amount in ₹</b>		
<b>NOTE 19 : OTHER EQUITY</b>		
<b>A. Capital Reserve</b>		
As per last Balance Sheet	4,073,671	4,073,671
Add: Addition during the period	-	-
Balance as at the end of the period	<u>4,073,671</u>	<u>4,073,671</u>
<b>B. Securities Premium Reserve</b>		
As per last Balance Sheet	74,400,000	74,400,000
Add: Addition during the period	-	-
Balance as at the end of the period	<u>74,400,000</u>	<u>74,400,000</u>
<b>C. Capital Redemption Reserve</b>		
As per last Balance Sheet	2,625,000	2,625,000
Add: Addition during the period	-	-
Balance as at the end of the period	<u>2,625,000</u>	<u>2,625,000</u>
<b>D. Revaluation Reserve</b>		
As per last Balance Sheet	54,984,830	54,984,830
Less: Transfer to Profit and Loss Account on account of depreciation on amount added on Revaluation	-	-
Balance as at the end of the period	<u>54,984,830</u>	<u>54,984,830</u>
<b>E. Amalgamation Reserve</b>		
As per last Balance Sheet	1,789,207	1,789,207
Add: Addition during the period	-	-
Balance as at the end of the period	<u>1,789,207</u>	<u>1,789,207</u>
<b>F. Investment Allowance Reserve</b>		
As per last Balance Sheet	129,150	129,150
Add: Addition during the period	-	-
Balance as at the end of the period	<u>129,150</u>	<u>129,150</u>
<b>G. General Reserve</b>		
As per last Balance Sheet	56,067,089	56,067,089
Add: Addition during the period	-	-
Balance as at the end of the period	<u>56,067,089</u>	<u>56,067,089</u>
<b>H. Surplus in the statement of profit and loss</b>		
As per last Balance Sheet	(429,319,223)	(308,964,616)
Add : Profit / (Loss) for the period	(696,652,110)	(122,816,417)
Add : Adjustment related to depreciation of earlier years	-	2,461,810
Balance as at the end of the period	<u>(1,125,971,333)</u>	<u>(429,319,223)</u>
<b>I. Other Comprehensive Income</b>		
As per last Balance Sheet	-	-
Add: Addition during the period	-	-
Balance as at the end of the period	<u>-</u>	<u>-</u>
	<u>(931,902,386)</u>	<u>(235,250,277)</u>

The description of the nature and purpose of each reserve within equity is as follows:

**Capital Reserve** : This Reserve was created for investment purpose as per statutory requirement in earlier years.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019****NOTE 19 : OTHER EQUITY (Contd.)**

**Securities premium** : Securities premium reserve represents the premium received on issue of shares over and above the face value of equity shares and also pursuant to Schemes of amalgamation in earlier years.

**Capital Redemption Reserve** : This Reserve was created pursuant to schemes of buy back of its cumulative redeemable preference shares in earlier years.

**Revaluation Reserve** : This Reserve was created due to revaluation of its Land, Buildings & Plant & Machinery in earlier years.

**Amalgamation reserve** : The Reserve was created pursuant to schemes of amalgamation in earlier years.

**Investment Allowance Reserve** : This Reserve was incorporated pursuant to amalgamation of another Company in the year 2007-2008.

**General Reserve** : This Reserve is created out of the profits of the Company and pursuant to Schemes of amalgamation in earlier years. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Surplus in the statement of profit and loss** : This Reserve represents the cumulative profits/ (losses) of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Other Comprehensive Income** : This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income and effects of remeasurement of defined benefit obligations.

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
<b>Amount in ₹</b>		
<b>NOTE 20 : BORROWINGS (NON- CURRENT)</b>		
<b>Financial Liabilities carried at Amortised Cost</b>		
<b>Secured</b>		
Term Loans form Banks - Rupee Loan	-	-
Term Loans form Financial Institution - Rupee Loan		
J M Financial Asset Reconstruction Company Private Limited	351,716,229	351,916,229
<b>Unsecured - Loans from Bodies Corporate</b>	-	-
<b>Total</b>	<u><b>351,716,229</b></u>	<u><b>351,916,229</b></u>
<b>Notes</b> : The Current part of Long Term Borrowings, as above, have been shown under Other Financial Liabilities (Note No. 25), as Current Maturities of long term debt. Refer Note 46 for disclosure w.r.t Loans		
<b>NOTE 21 : TRADE PAYABLES (NON- CURRENT)</b>		
<b>Financial Liabilities carried at Amortised Cost - Others</b>	45,621,307	45,099,800
<b>Total</b>	<u><b>45,621,307</b></u>	<u><b>45,099,800</b></u>
<b>NOTE 22 : OTHER FINANCIAL LIABILITIES (NON- CURRENT)</b>		
<b>Financial Liabilities carried at Amortised Cost - Security Deposit</b>	17,578,324	161,843,360
<b>Total</b>	<u><b>17,578,324</b></u>	<u><b>161,843,360</b></u>
<b>NOTE 23 : PROVISIONS (NON-CURRENT)</b>		
Provisions for Employee Benefits - Gratuity	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>NOTE 24 : OTHER NON CURRENT LIABILITIES</b>		
Interest Payable	86,595,543	95,146,452
Statutory Dues	138,341,971	152,071,212
Advances received from customers	87,547,207	98,055,667
<b>Total</b>	<u><b>312,484,721</b></u>	<u><b>345,273,331</b></u>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>As at 31st March, 2019</u>	<u>Amount in ₹</u> <u>As at 31st March, 2018</u>
<b>NOTE 25 : BORROWINGS (CURRENT)</b>		
<b>Secured</b> - From Banks - Loans Repayable on Demand		
State Bank of India	25(a) 419,153,858	419,158,120
Loans Repayable on Demand - Rupee Loan I.F.C.I Ltd.	1,269,000	1,269,000
<b>Unsecured</b>		
Loans from Bodies Corporate	92,133,464	87,020,856
Loans from Directors	7,090,000	7,090,000
<b>Total</b>	<b><u>519,646,322</u></b>	<b><u>514,537,976</u></b>

**Note :** Secured with current asstes, including stock along with equitable of mortgage 95 bigha 1 cottas 1 chatak 20 sqft. land constrction & bulding there on and current assest of Rajam Unit at A.P.

**NOTE 26 : TRADE PAYABLES (CURRENT)****Financial Liabilities carried at Amortised Cost**

Micro, Small and Medium Enterprises*	1,191,026	2,038,926
Others	245,825,439	390,019,462
<b>Total</b>	<b><u>247,016,465</u></b>	<b><u>392,058,388</u></b>

**Notes :**

Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

**NOTE 27 : OTHER FINANCIAL LIABILITIES (CURRENT)****Financial Liabilities carried at Amortised Cost**

Current Maturity of Term Loans - Rupee Loans	-	-
Interest accrued and due on borrowings	-	-
Unpaid Dividend Account	1,570,430	1,570,430
Preference Shares Redemption amount	425,000	425,000
Employee Benefits Payable	15,379,299	21,847,579
Books Overdrawn	896,271	230,115
Provisions for Expenses	17,815,033	23,753,700
<b>Total</b>	<b><u>36,086,033</u></b>	<b><u>47,826,824</u></b>

**NOTE 28 : OTHER CURRENT LIABILITIES**

Advances received from customers	202,050,832	83,648,342
Statutory Dues	8,845,462	6,916,407
Others Payables	-	17,907,056
<b>Total</b>	<b><u>210,896,294</u></b>	<b><u>108,471,804</u></b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>As at 31st March, 2019</u>	<u>Amount in ₹</u> <u>As at 31st March, 2018</u>
<b>NOTE 29 : PROVISIONS (CURRENT)</b>		
Provisions for Employee Benefits - Gratuity	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>NOTE 30 : CURRENT TAX LIABILITIES (NET)</b>		
Provision for Income tax (Net of payment)	-	-
	<u>-</u>	<u>-</u>
	<u>For the year ended</u> <u>31st March, 2019</u>	<u>For the year ended</u> <u>31st March, 2018</u>
<b>NOTE 31 : REVENUE FROM OPERATIONS</b>		
Sale of Products	35,148,628	191,643,726
Sale of Services	-	-
Other Operating Revenues	68,065,320	49,764,001
<b>Total</b>	<u>103,213,948</u>	<u>241,407,727</u>
<b>NOTE 32 : OTHER INCOME</b>		
Interest Income	1,860,224	1,863,253
Dividend on Shares of Non Current Investments	-	-
Other Non-Operating Income		
Profit on sale of Fixed Assets	19,174,493	31,612,885
Liability no Longer Required Written Back	13,380	5,149,106
Miscellaneous Income	1,990,036	13,066
<b>Total</b>	<u>23,038,134</u>	<u>38,638,310</u>
<b>NOTE 33 : COST OF MATERIALS CONSUMED</b>		
Raw materials at the beginning of the year	20,450,842	1,517,516
Add: Purchases /consumption	18,933,326	97,438,789
Less: Raw materials at the end of the year	1,517,516	20,450,842
	<u>18,933,326</u>	<u>78,505,463</u>
<b>NOTE 34 : PURCHASE OF STOCK IN TRADE</b>		
Purchase of Finished Goods	14,469,231	91,163,517
	<u>14,469,231</u>	<u>91,163,517</u>
<b>NOTE 35 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Opening Stock</b>		
Work in Progress	-	-
Finished Goods	1,990,935	7,933,144
Traded Goods	-	-
	<u>1,990,935</u>	<u>7,933,144</u>
<b>Closing Stock</b>		
Finished Goods	1,990,935	1,990,935
Work in Progress	-	-
Traded Goods	-	-
	<u>1,990,935</u>	<u>1,990,935</u>
	-	5,942,209
Less: Damaged goods written off to be shown as exceptional items	-	-
<b>Total</b>	<u>-</u>	<u>5,942,209</u>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	For the year ended 31st March, 2019	Amount in ₹ For the year ended 31st March, 2018
<b>NOTE 36 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	4,047,323	6,063,774
Contribution to Provident & other funds	3,000	-
Gratuity	3,641,331	5,435,914
Staff Welfare Expenses	849,136	2,002,709
<b>Total</b>	<b>8,540,790</b>	<b>13,502,397</b>
<b>NOTE 37 : FINANCE COSTS</b>		
Interest Expense	12,505,917	10,647,894
<b>Total</b>	<b>12,505,917</b>	<b>10,647,894</b>
<b>NOTE 38 : OTHER EXPENSES</b>		
Payments to the auditors - For Audit Fees (Indlg. Tax Audit Fees)	500,000	400,000
Consumption of Stores & Spare Parts	-	104,400
Export Expenses	100,458	458,927
Shipping, Frieght and Other Charges	967,423	3,773,471
Advertisement & Business Promotion	304,899	77,750
Bank Charges	54,265	82,861
Bad Debts	724,090,660	-
Brokerage & Commission	638,010	1,366,670
Electricity Charges	1,154,022	1,268,711
Processing Charges	83,748	48,500
Branding Charges	43,975	18,000
Insurance	11,800	50,000
Rent	6,054,483	-
Legal & Consultancy Charges	3,729,555	876,145
Membership & Subscription	7,500	46,680
Donation	17,000	-
Motor Car Expenses	259,064	234,831
Office Maintenance	989,137	3,003
Retainer Fees	12,000	54,200
Security Service Charges	505,694	918,767
Printing, Stationary & Courier	103,202	284,887
Filing Fees	10,000	8,987
Rates & Taxes	273,792	271,473
Interest on delayed payment of expenses	3,224,564	12,146,144
Interest on delayed statutory dues & late fees of return filing	57,950	255,153
Cancellation of FAR Sale	-	134,550,000
Compensation for cancellation of FAR sale	-	15,000,000
Repairs & Maintenance:		
On Building	6,106,141	8,976,494
On Plant & Machinery	1,286,597	-
On Others	175,888	486,825
Telephone Expenses	194,351	383,742
Travelling & Conveyance	597,164	459,855
Loss on sale of Machinery	-	-
Miscellaneous Expenses	221,554	261,189
<b>Total</b>	<b>751,774,896</b>	<b>182,867,665</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	<u>31st March, 2019</u>	<u>Amount in ₹</u> <u>31st March, 2018</u>
<b>NOTE 39 : EFFECTIVE TAX RECONCILIATION</b>		
The reconciliation of Estimated Income Tax to Income Tax Expense is as below :		
<b>Income Tax Recognised in Statement of Profit &amp; Loss</b>		
Current Tax	-	-
Deferred Tax	-	-
Earlier Year Tax	-	-
MAT Credit Entitlement	-	-
<b>Total Income Tax Expense recognised in the current year</b>	<u>-</u>	<u>-</u>
Profit Before Tax	<b>(696,652,110)</b>	(122,816,417)
Applicable Tax Rate	<b>26.00%</b>	30.90%
Computed Tax Expense	-	-
Tax Effect of:		
Exempted Income	-	-
Standard Deduction of house property	-	-
Indexation benefit on Capital Gains	-	-
Expenses Disallowed	-	-
Additional Allowance net of MAT Credit	-	-
Other Tax Differences	-	-
<b>Current Tax Provision (A)</b>	<u>-</u>	<u>-</u>
Timing difference in depreciable assets	-	-
Expenses allowable against taxable income in future years	-	-
Loans measured at amortised cost	-	-
<b>Deferred Tax Provision (B)</b>	<u>-</u>	<u>-</u>
<b>Tax expenses recognised in the Statement of Profit &amp; Loss (A+B)</b>	<u>-</u>	<u>-</u>
<b>Effective Tax Rate</b>	<b>0.00%</b>	<b>0.00%</b>

**NOTE 40 : CONTINGENCIES AND COMMITMENTS****I) Contingent Liabilities**

Claims against the company/disputed liabilities not acknowledged as Debts

West Bengal and Central Sales Tax assessments under appeal for the period 1st October, 2002 to 31st March, 2004.

1,865,171

1,865,171

Service Tax demand by Commissioner of Service Tax-II, Kolkata (For the period from 2008-09 (From Oct'08) to 2011-12) [Including interest and penalty]

65,378,986

65,378,986

Service Tax demand by Directorate General of Goods &amp; Service Tax Intelligence, Kolkata Zonal Unit (For the period from 2012-13 to 2017-18) (Up to Jun'17)

30,100,718

30,100,718

Income tax demand pending before Commissioner of Income tax (Appeals) for Asst. year 2014-15.

13,104,090

13,104,090

Income tax demand pending before Commissioner of Income tax (Appeals) for Asst. year 2012-13.

18,263,630

18,263,630

Income tax demand pending before Commissioner of Income tax (Appeals) for Asst. year 2010-11.

3,589,380

3,589,380

Income tax demand for A.Y 2009-10 pending on account of interest

355,157

355,157

Claim for Damages by the ESIC Department

5,008,807

5,008,807

Employee State Insurance Corporation

11,325,93511,325,935**Total****148,991,874****148,991,874**

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2019****NOTE 40 : CONTINGENCIES AND COMMITMENTS (Contd.)****I) Contingent Liabilities (Contd.)**

Note: Apart from above there are various other contingent claims of which amount is not ascertainable and thus are mentioned here in below:

- 1) Income Tax Demand from A.Y. 1998-99 to A.Y. 2003-04 on restoration of appeal by I.T.A.T to CIT (A) has not been ascertained and provided for.
- 2) Income Tax Demand from A.Y. 2011-12 is pending before CIT (A) has not been ascertained and provided for.
- 3) Income Tax Demand from A.Y. 2015-16 is pending before CIT (A) has not been ascertained and provided for.
- 4) Interest and penalties for Non-Payment/ Delayed payment of Sales Tax, Service Tax, TDS, Provident Fund dues, ESI dues, Lease rent payable to Kolkata Port Trust, if any, has not been ascertained and provided for.
- 5) Disputed Excise Duty under appeal has not been ascertained and provided for.
- 6) Disputed Liability in respect of Excise Duty is Rs. 18 Crore.

	<u>31st March, 2019</u>	<u>Amount in ₹</u> <u>31st March, 2018</u>
<b>II) Guarantees given</b>		
Guarantees given by the Company not acknowledged as debt	-	-
<b>Total</b>	-	-

**NOTE 41 : EARNINGS PER SHARE**

Profit as per Statement of Profit and Loss	<b>(696,652,110)</b>	(122,816,417)
Weighted average number of equity shares	<b>6,444,307</b>	<b>6,444,307</b>
Nominal value per equity share (Rs)	<b>10</b>	10
Earnings per share - Basic and Diluted (Rs)	<b>(108.10)</b>	(19.06)

**NOTE 42 : INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY**

Income derived from investment property	-	-
Less: Direct operating expenses (including repairs and maintenance) generating income from investment property	-	-
Profit arising from investment property before depreciation and indirect expenses	-	-
Less: Depreciation	-	-
<b>Profit arising from investment properties before indirect expenses</b>	<b>-</b>	<b>-</b>

**NOTE 43 : RECONCILIATION OF FAIR VALUE OF INVESTMENT PROPERTY**

Fair value of opening balance of Investment property	-	-
Fair value adjustment on opening balance of Investment property	-	-
Fair value of transfer in/(out)	-	-
<b>Fair value of closing balance of Investment property</b>	<b>-</b>	<b>-</b>

**NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY**

NGO's and Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2019****NOTE 45 : INFORMATION REGARDING PENDING CASES AND LITIGATION AGAINST COMPANY**

Unsecured Loans and Other Advances taken by the Company from various parties in earlier years has filed petition before NCLT against the Company. Detail of the petitions along with amount payable to them as on 31st March 2019 are as follows:

Sl. No.	Name of the Party	Nature of liability	Amount (Rs.)	Case No.
1	UNIVALUE PROJECTS PVT. LTD. (Includes Interest as on 10-05-2019)	Unsecured Loan	2,247,431	CP(IB)No.756/KB/2019
2	BLUPEX VYAPAR PVT. LTD. (Includes Interest as on 30-11-2018)	Unsecured Loan	3,686,640	CP(IB)No.79/KB/2019
3	BKS PROMOTERS PVT. LTD. (Includes Interest as on 30-11-2018)	Unsecured Loan	2,381,365	CP(IB)No.80/KB/2019
4	J M FINANCIAL ASSET RECONSTRUCTION COMPANY PVT. LTD. (Includes expenses and interest as on 31-12-2015)	Secured Loan	545,833,004	CP(IB)No.04/KB/2019
5	SBI Vs Howrah Mills Co. Ltd. at DRT	Secured Loan	665,343,985	OA/298/2017
6	Srijan Projects LLP Vs Howrah Mills Co. Ltd. at High Court**	Advance from customer	70,000,000	GA No. 2464 of 2018 & CS No. 186 of 2018

\*\*Company has taken advance from customer for Joint Venture which couldnot be executed and the same was not returned. The Party concern had filed a suit against the company in which our company had to return Rs.7 crores and expenses up to the tune Of Rs.1 crore incurred.

**NOTE 46 : BORROWINGS**

<b>Bank</b>	J.M. Financial Asset Reconstruction Company Pvt. Ltd.
<b>Nature of Security</b>	Secured with current asstes, including stock along with equitable of mortgage 95 bigha 1 cottas 1 chatak 20 sqft. land constraction & bulding there on and current assest of Rajam Unit at A.P. pari pasu with SBI
<b>Repayment Terms</b>	Not yet finalised
<b>Interest rate</b>	Not yet finalised
<b>March 31,2019</b>	351,716,229
<b>March 31,2018</b>	351,916,229
<b>March 31,2017</b>	369,174,462

**Notes : 1) During the year 2015-16 total liability of “The Federal Bank Ltd” has been assigned to J.M. Financial Asset Reconstruction Company Private Limited by the bank.**

**2) Repayment terms and Interest rate is not yet finalised between the Company and J.M. Financial Asset Reconstruction Company Private Limited as conveyed to us by the Company.**

**NOTE 47 : RELATED PARTY TRANSACTIONS**

List of Related Parties with whom transactions have taken place during the year

	Relation	Country of Incorporation	Extent of Holding
<b>Subsidiary Company</b>			
Nil	Subsidiary	India	-
<b>Parnership Firms</b>			
Nil	Partnership	India	-
<b>Key Managerial Personnel</b>			
Sanjay Mall	Managing Director		
<b>Other Directors</b>			
Shankar Lal Jhawar	Director		
Sankar Kumar Mukhopadhyay	Director		
Sudip Chandra Majumdar	Director		
Tapati Dutta	Director		



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019****NOTE 47 : RELATED PARTY TRANSACTIONS (Contd.)****Entities over which KMPs and their relatives have significant influence**

West Bengal Agro Textile Corporation Ltd	Sanjay Mall
Mall Infrastructure Development Private Limited	Sanjay Mall
Coochbehar Jute Parks Infrastructure Limited	Sanjay Mall
HMC Jute Park Enterprises Limited	Sanjay Mall
Bengal Techno Industrial Projects Limited	Sanjay Mall
Howrah Jute Processors Limited	Sanjay Mall
Manglam Commercial Pvt Ltd	Shankar Lal Jhawar
Ritika Commercial Company Pvt Ltd	Shankar Lal Jhawar
Sundaram Nirman Private Limited	Shankar Lal Jhawar
HMC Power Companies Limited	Shankar Lal Jhawar
Shrivali Conmat Industries Private Limited	Shankar Lal Jhawar

The following table summarises Related-Party Transactions and Balances included in the Financial Statements as at and for the year ended March 31, 2019 and March 31, 2018

Amount in Rs.

Nature of Transactions	Subsidiary	Partnership Firm/ LLP	Key Managerial Personnel, Other Directors & Their Relatives	Entities where KMP and relatives have significant influence	Total
Director's Remuneration	-	-	720,000	-	720,000
	-	-	2,520,000	-	2,520,000
Other Benefits- Keyman Insurance	-	-	-	-	-
	-	-	-	-	-
Sitting Fees	-	-	-	-	-
	-	-	-	-	-
Rent Received	-	-	-	-	-
	-	-	-	-	-
Interest Income recognised	-	-	-	-	-
	-	-	-	-	-
Loan Received Back	-	-	-	-	-
	-	-	-	-	-
Loan Repaid	-	-	-	-	-
	-	-	-	13,507,993	13,507,993
Investment	-	-	-	22,805,344	22,805,344
	-	-	-	22,805,344	22,805,344

Note : Figures in italics represent comparative figures of previous years.

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2019

Particulars	<u>Amount in ₹</u>	
	<u>March 31,2019</u>	<u>March 31,2018</u>
<b>NOTE 48 : EMPLOYEE BENEFITS</b>		
<b>I) Defined Contribution Plan</b>		
Contribution to defined contribution plan, recognized are charged off during the year as follows :		
Employers' Contribution to Provident Fund & ESI	-	-
<b>II) Defined Benefit Plan</b>		
Gratuity are accounted for and paid to employees on cash basis. The Company has not made any actuarial valuation for leave encashment and Gratuity for the year thus the present value of obligation in respect of employee benefit is not determined and reported accordingly..		
<b>a) Change in Defined Benefit Obligations :</b>		
Present Value of Defined Benefit Obligations at beginning of year	-	-
Current Service cost	-	-
Interest cost	-	-
Past Service Cost	-	-
Re-measurement (or Actuarial (gains)/ losses) arising from :		
Change in financial assumptions	-	-
Experience Variance (i.e. Actual experience vs assumptions)	-	-
Benefits paid	-	-
<b>Present Value of Defined Benefit Obligations at the end of year</b>	<u>-</u>	<u>-</u>
<b>b) Change in fair value of plan assets</b>		
Fair value of plan assets as at the start of the year	-	-
Return on plan assets	-	-
Investment Income	-	-
Actuarial loss/(gain)	-	-
Contribution	-	-
Benefits paid	-	-
<b>Fair value of plan assets as at the end of the year</b>	<u>-</u>	<u>-</u>
<b>c) Net Asset / (Liability) recognised in Balance Sheet :</b>		
Net Asset/(Liability) recognised in Balance Sheet at beginning of year	-	-
Expense recognised in Statement of Profit and Loss	-	-
Expense recognised in Other Comprehensive Income	-	-
Employer contributions	-	-
<b>Net Asset / (Liability) recognised in Balance Sheet at end of year</b>	<u>-</u>	<u>-</u>
<b>d) Expenses recognised in the Statement of Profit and Loss consist of :</b>		
Current Service Cost	-	-
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Income on the Net Defined Benefit Liability	-	-
<b>Net Amounts recognised</b>	<u>-</u>	<u>-</u>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Amount in ₹	
	<u>March 31, 2018</u>	<u>March 31, 2017</u>
<b>NOTE 48 : EMPLOYEE BENEFITS (Contd.)</b>		
<b>II) Defined Benefit Plan (Contd.)</b>		
<b>e) Expenses recognised in the Other Comprehensive Income consist of :</b>		
Actuarial (gains) / losses due to :		
Change in demographic assumptions	-	-
Change in financial assumptions	-	-
Experience Variance (i.e. Actual experience vs assumptions)	-	-
Return on Plan Assets	-	-
Remeasurement arising because of change in effect of asset calling	-	-
<b>Net Amounts recognised</b>	<u>-</u>	<u>-</u>
<b>f) Actuarial Assumptions</b>		
<b>Financial Assumptions</b>		
Discount Rate p.a.	0.00%	0.00%
Rate of increase in salaries p.a.	0.00%	0.00%
<b>Demographic Assumptions</b>		
Mortality Rate (%)	0.00%	0.00%
Normal Retirement Age	-	-
Attrition Rates, based on age (% p.a.)		
Upto 30 years	0.00%	0.00%
From 31 years to 44 years	0.00%	0.00%
More than 44 years	0.00%	0.00%

**g) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has determind based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Defined Benefit Obligation (Base)	-			
	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>
Discount Rate (- / + 1%)	-	-	-	-
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%
Salary Growth Rate (- / + 1%)	-	-	-	-
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%
Attrition Rate (- / + 50%)	-	-	-	-
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%
Mortality Rate (- / + 10%)	-	-	-	-
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2019

Particulars	<u>Amount in ₹</u>	
	<u>March 31,2019</u>	<u>March 31,2018</u>
<b>NOTE 48 : EMPLOYEE BENEFITS (Contd.)</b>		
<b>II) Defined Benefit Plan (Contd.)</b>		
<b>h) Maturity Profile of Defined Benefit Obligation</b>		
Weighted average duration (based on discounted cashflow)	6 Years	6 Years
Expected cash flows over the next (valued on undiscounted basis)		
1 Year	-	-
2 to 5 years	-	-
6 to 10 years	-	-
More than 10 years	-	-
<b>i) Summary of Assets and Liability (Balance Sheet Position)</b>		
Present value of Obligation	-	-
Fair Value of Plan Assets	-	-
Unrecognized Past Service Cost	-	-
Effects of Asset Celling	-	-
<b>Net Asset / (Liability)</b>	<u>-</u>	<u>-</u>
<b>j) Windup Liability / Discontinuance Liability</b>		
Discontinuance Liability *	-	-
Present Value of Obligation	-	-
Ratio (PV of Obligation / Discontinuance Liability)	0%	0%
* Discontinuance Liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.		
<b>k) Allocation of Plan Asset at the end Measurement Period - NA</b>		
<b>NOTE 49 : SEGMENT REPORTING</b>		
<b>I) Business Segment</b>		
<b>Segment Revenue</b>		
Trading	49,152,045	218,466,800
Real Estate	75,239,813	59,715,984
<b>Total</b>	<u>124,391,858</u>	<u>278,182,784</u>
<b>Net Sales/Income from operations</b>	<u>124,391,858</u>	<u>278,182,784</u>
<b>Segment Results</b>		
Segment Results (Profit+)/Loss(-) before Tax & Interest from each segment) :		
Trading	(761,246,230)	(173,747,760)
Real Estate	75,239,813	59,715,984
<b>Total</b>	<u>(686,006,416)</u>	<u>(114,031,776)</u>
Less : Interest Expenses	12,505,917	10,647,894
	<u>(698,512,333)</u>	<u>(124,679,670)</u>
Add : Interest Income	1,860,224	1,863,253
	<u>(696,652,110)</u>	<u>(122,816,417)</u>
Less : Exceptional items	-	-
<b>Total Profit/(Loss) before Tax</b>	<u>(696,652,110)</u>	<u>(122,816,417)</u>
<b>Segment Assets</b>		
Trading	831,501,346	1,751,396,834
Real Estate	42,085,032	44,823,671
<b>Total</b>	<u>873,586,378</u>	<u>1,796,220,505</u>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Particulars	<u>Amount in ₹</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<b>NOTE 49 : SEGMENT REPORTING (Contd.)</b>		
<b>I) Business Segment (Contd.)</b>		
<b>Segment Liabilities</b>		
Trading	1,729,541,976	1,955,411,043
Real Estate	11,503,719	11,616,669
<b>Total</b>	<b><u>1,741,045,695</u></b>	<b><u>1,967,027,712</u></b>

**II) Geographical Segment**

The Company is operating only in Kolkata in India which is a single geographical segment.

**NOTE 50 : CAPITAL MANAGEMENT**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Equity Share Capital	64,443,070	64,443,070
Other Equity	(931,902,386)	(235,250,277)
<b>Total Equity (A)</b>	<b><u>(867,459,316)</u></b>	<b><u>(170,807,207)</u></b>
Borrowings	871,362,552	866,454,206
Less: Cash and Cash Equivalents	1,691,715	17,354,470
<b>Net Debt (B)</b>	<b><u>869,670,836</u></b>	<b><u>849,099,735</u></b>
<b>Net Debt to Equity (B/A)</b>	<b>(1.00)</b>	<b>(4.97)</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

## NOTE 51 : DISCLOSURES ON FINANCIAL INSTRUMENTS

## I) Financial Instruments by Category

## As at March 31, 2019

Particulars	Amortised Cost	Fair Value through OCI	Total Carrying Value	Amount in Rs.
				Total Fair Value
Financial Assets				
Investments	22,969,204	-	22,969,204	22,969,204
Trade Receivables	132,595,519	-	132,595,519	132,595,519
Cash and Cash Equivalents	1,691,715	-	1,691,715	1,691,715
Loans	62,693,909	-	62,693,909	62,693,909
Other Financial Assets	15,638,085	-	15,638,085	15,638,085
<b>Total Financial Assets</b>	<b>235,588,432</b>	<b>-</b>	<b>235,588,432</b>	<b>235,588,432</b>
Financial Liabilities				
Borrowings	871,362,552	-	871,362,552	871,362,552
Trade Payables	292,637,772	-	292,637,772	292,637,772
Other Financial Liabilities	53,664,357	-	53,664,357	53,664,357
<b>Total Financial Liabilities</b>	<b>1,217,664,680</b>	<b>-</b>	<b>1,217,664,680</b>	<b>1,217,664,680</b>

## As at March 31, 2018

Financial Assets				
Investments	22,969,204	-	22,969,204	22,969,204
Trade Receivables	1,032,362,383	-	1,032,362,383	1,032,362,383
Cash and Cash Equivalents	17,354,470	-	17,354,470	17,354,470
Loans	62,564,327	-	62,564,327	62,564,327
Other Financial Assets	13,690,925	-	13,690,925	13,690,925
<b>Total Financial Assets</b>	<b>1,148,941,309</b>	<b>-</b>	<b>1,148,941,309</b>	<b>1,148,941,309</b>
Financial Liabilities				
Borrowings	866,454,206	-	866,454,206	866,454,206
Trade Payables	437,158,188	-	437,158,188	437,158,188
Other Financial Liabilities	209,670,184	-	209,670,184	209,670,184
<b>Total Financial Liabilities</b>	<b>1,513,282,577</b>	<b>-</b>	<b>1,513,282,577</b>	<b>1,513,282,577</b>

## II) Fair Value Hierarchy

All Financial Assets & Financial Liabilities are carried at amortised cost, thus there is no such Hierarchy.

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table represents the fair value hierarchy of Financial Assets and Financial Liabilities measured at Fair Value on a recurring basis :

Particulars	Fair Value Hierarchy Level	March 31, 2019	Amount in Rs.
			March 31, 2018
Financial Assets			
Investments	Level 1	-	-
Investments	Level 3	-	-

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2019****NOTE 51 : DISCLOSURES ON FINANCIAL INSTRUMENTS (Contd.)****III) Financial Risk Management**

In the course of its business, the Company is exposed primarily to market, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. This note explains the sources of risk which the entity manages the risk and the related impact in the financial statements.

**A) Market Risk -**

Market Risk Comprises of Interest Rate Risk & Equity Price Risk

**i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate risk exposure

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

<b>Particulars</b>	<b><u>March 31,2019</u></b>	<b><u>March 31,2018</u></b>
Variable rate borrowing	770,870,088	771,074,350
Fixed rate borrowing	100,492,464	95,379,856
<b>Total borrowings</b>	<b><u>871,362,552</u></b>	<b><u>866,454,206</u></b>

Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

**Interest Sensitivity\***

Interest rates – increase by 100 basis point	-	-
Interest rates – decrease by 100 basis point	-	-

\* Holding all variables constant

**ii) Equity Price Risk**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted & unquoted investments held by the Company exposes the Company to equity price risks. But since the Company is valued its Investment at amortised cost this is not applicable.

Sensitivity Analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods:

<b>Particulars</b>	<b><u>March 31,2019</u></b>	<b><u>March 31,2018</u></b>
<b>Price Sensitivity</b>		
Price increase by (5%)- FVTOCI	-	-
Price decrease by (5%)- FVTOCI	-	-

**B) Liquidity Risk -**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the bad condition of Company business, the Company could not maintain flexibility in funding by maintaining availability under committed facilities.

The Company has not obtained any fund and non-fund based working capital facilities from any banks during the year.

The following below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities:

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

## NOTE 51 : DISCLOSURES ON FINANCIAL INSTRUMENTS (Contd.)

## III) Financial Risk Management (Contd.)

## B) Liquidity Risk -

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
<b>One Year or less</b>		
Borrowings	519,646,322	514,537,976
Trade Payables	247,016,465	392,058,388
Other Financial Liabilities	36,086,033	47,826,824
<b>More than One Year</b>		
Borrowings	351,716,229	351,916,229
Trade Payables	45,621,307	45,099,800
Other Financial Liabilities	17,578,324	161,843,360

## C) Credit Risk -

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The Company has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

## NOTE 52 :

Previous Year's figures have been re-grouped, re-arranged and re-classified to confirm the Current Year's classification, wherever necessary. However, in various instances current year figures are not compatible with previous year figures, which could not be verified in lack of required documents by the Company.

As per our Report attached of even date

For **B. Jain & Co.**  
Chartered Accountants  
Firm's Regn. No. : 307100E

**(CA B. C. Jain)**  
Partner  
Membership No. : 012181

Place : Kolkata  
Date : 29th day of June, 2019

For and on behalf of the Board of Directors  
HOWRAH MILLS COMPANY LIMITED

**Shankar Kumar Mukhopadhyay**  
(Director)  
(DIN-0384975)

**Tapati Dutta**  
(Director)  
(DIN-07297020)

**Sudip Chandra Majumdar**  
(Director)  
(DIN-07295984)



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Howrah – 711 102  
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