

AUDITORS' REPORT

We have audited the attached Balance Sheet of Indian Jute Mills Association as at 31st March, 2011 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. We have examined the attached Balance Sheet of Indian Jute Mills Association as at 31st March, 2011 and the annexed Income and Expenditure Account for the year ended on that date which are in agreement with the books of account.

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

3. We report that:

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

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

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

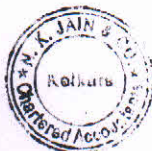
6. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

8. Subject to the consequential effect on the result for the year and the net assets position at the year end arising out of the matters stated in paragraph 3 above and Notes on Accounts, the Balance Sheet gives a true and fair view in conformity with the accounting principles generally accepted in India of the Association's affairs as at 31st March, 2011 and the Income & Expenditure Account give a true and fair view of the excess of income over expenditure for the year ended on that date.

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

The 26th day of Sept. 2011.



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

N. K. Jain
Proprietor

N. K. JAIN
Membership No. 005976

INDIAN JUTE MILLS ASSOCIATION
Incorporated under the Companies Act, 1956

BALANCE SHEET AS AT 31ST MARCH, 2011

Previous Year Amount (Rs.)	LIABILITIES	Current year Amount (Rs.)	Previous Year Amount (Rs.)	ASSETS	Current year Amount (Rs.)	Current year Amount (Rs.)
398550.00	RESERVE & SURPLUS IIMA Reserve Fund	415368.00	483108.22	FIXED ASSETS As per Schedule 'A' annexed		465615.92
9394722.41	SURPLUS As per Income & Expenditure Account	10305247.04	359000.00	INVESTMENTS Fixed Deposit with State Bank of India		359000.00
	CURRENT LIABILITIES & PROVISION			CURRENT ASSETS, LOANS & ADVANCES		
119468.00	Current Liabilities: Sundry Creditors for Expenses	331251.93	18595.00	Current Assets: Interest receivable on Advance Tax (B/f)	18595.00	
	Service tax payable	355316.00	5789.00	Accrued interest on Short Term Deposit	5789.00	24384.00
3466688.00	Provisions: Provision for Gratuity	2373392.00		Sundry Debtors for Subscription & Special Subscription (Unsecured considered good)		
			405000.00	Special Levy, Barrackpore	525000.00	
			40000.00	Considered doubtful	40000.00	
				Subscription outstanding of Industrial Relation - Doubtful		
				Subscription outstanding for a period exceeding six months		
			3517502.00	Considered good	3806039.32	
			411840.00	Considered doubtful	-	
			3109837.00	Sundry debtors for legal expenses doubtful	3347788.00	
			940803.00	Special subscription for consultancy/legal expenses outstanding for more than six months	662016.00	
						8380843.32

Contd...



				2000.00	Cash & Bank Balances :	2000.00	
					Cash in Hand		
					Balance with State Bank of India		
					in Current Account:		
				843213.37	General Fund A/c.	2184426.92	
				326100.44	Reserve Fund a/c.	342918.44	
				2500000.00	Fixed deposit	-	2529345.36
				-	IDBI Fixed Deposit Account		1500000.00
					Loans & Advances:		
					(Unsecured considered good)		
					Advance recoverable in cash or in		
					kind:		
				80.00	Revenue Stamp	80.00	
				24587.00	Prepaid Expenses	6362.00	
				310373.38	Income Tax Payments	310373.38	
				72020.00	Wealth Tax	72020.00	
				9580.00	Advance against Salaries	80.00	
				-	Advance - Others	132471.00	521386.38
13379428.41		13780574.98	13379428.41				13780574.98

In terms of our report of even date. For N. K. JAIN & CO.

Chartered Accountants
(Firm Regn. No. 304078E)

2, Chowringhee Road
Kolkata - 700013.
The 26th day of Sept. 2011.



Committee Member

Chairman

Proprietor

Secretary General

INDIAN JUTE MILLS ASSOCIATION
Incorporated under the Companies Act, 1956

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Previous Year Amount (Rs.)	EXPENDITURE	Current year Amount (Rs.)	Previous Year Amount (Rs.)	INCOME	Current year Amount (Rs.)
1367689.00	To Service Charges paid to Bengal Chamber of Commerce	1347270.00	9855680.00	By Subscription for the year	12797250.00
4839578.10	To Establishment: Salaries & Allowances: Salaries & Staff (including leave encashment)	5987395.97	206585.00	By Service Charges	-
388430.00	To Contribution to Provident Fund & Other Funds	335717.00	120000.00	By Special contribution for Barrackpore Office	120000.00
123514.00	To Medical Allowance	87256.20	163171.00	By Interest on Short Term Deposit	136720.00
289171.00	To Staff Welfare	45434.00	1579721.00	By Special subscription for consultancy	283952.80
155227.00	To Printing, Stationery & Office Requisites	242300.00	-	By Special Contribution for Filing Writ Petition	731279.80
171225.42	To Postage, Telegram, Telephone, Telex & Fax	186514.79	-	By Profit on Sales of Motor Car	7271.81
46462.00	To Books & Newspaper	37241.00	-		
373706.37	To General Charges	318101.59	-		
129586.00	To Legal Expenses: For Taxation Matters & Others	406226.50			
46013.00	To Sundry subscription	51087.00	2231159.38	By Excess of Expenditure over Income	-
11030.00	To Audit Fees	11030.00			
71493.20	To Motor Car Expenses	175003.00			
548800.00	To Public Relation in India To Contribution to Bengal Chamber of Commerce & Industry:	164380.00			
8824.00	Labour Department	8824.00			
89356.00	To Barrackpore Office Expenses	33836.00			
572846.00	To Provision For Gratuity	198095.00			
57587.01	To Depreciation Written off	138864.72			
143572.00	To Travelling	55250.00			



154600.00	To Maintenance & Reorganisation of Office	264865.00			
6674.00	To Internet Expenses A/c.	-			
13118.00	To Broadband Expenses	-			
2252.00	To Fire & Burglary Insurance Premium	2160.00			
12686.00	To Testing Charges 50Kg. Bag	-			
4207876.28	To Expenses for consultancy fees	-			
325000.00	To Jute Packing Projects (JIRA)	-			
-	To Bad Debt Written Off	3069098.00			
-	To Excess of Income over Expenditure	910524.64			
14156316.38		14076474.41	14156316.38		14076474.41
2231159.38	To Balance Brought Down	0.00	-	By Balance Brought Down	910524.64
9394722.41	To Balance carried to Balance Sheet	10305247.05	11625881.79	By Balance Brought Forward	9394722.41
11625881.79		10305247.05	11625881.79		10305247.05

In terms of our report of even date.

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

2, Chowringhee Road
 Kolkata - 700013.
 The 26th day of Sept. 2011.



[Signature]
 Committee Member

[Signature]
 Proprietor
 Chairperson

[Signature]
 Secretary General

INDIAN JUTE MILLS ASSOCIATION

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2011

	Amount as on 1/4/2010	Addition during the year	Total as on 31/03/2011	Rate (%)	Depreciation for the year	Sold/ Discarded	Net value of asset as on 31/03/2011
CALCUTTA OFFICE:							
Motor Cars	23921.44	0.00	23921.44	25.89%	6193.26	17728.18	0.00
Cycles	5.47	0.00	5.47	14.93%	0.82	-	4.65
Office Equipments & Furniture	34220.32	650.60	34870.92	18.10%	6302.61	-	28568.31
Air-conditioner	521.33	138450.00	138971.33	13.91%	12347.29	-	126624.04
Generator (Inverfor Units)	51.98	0.00	51.98	13.91%	7.23	-	44.75
EPABX	6649.17	0.00	6649.17	18.10%	1203.50	-	5445.67
Computer	175094.54	0.00	175094.54	40%	70037.82	-	105056.72
Fax	12768.18	0.00	12768.18	13.91%	1776.05	-	10992.13
Xerox Machine	195181.61	0.00	195181.61	13.91%	27149.76	-	168031.85
Laptop	34551.29	0.00	34551.29	40%	13820.52	-	20730.77
	482965.33	139100.60	622065.93		138838.85	17728.18	465498.90
NORTH AMERICAN OFFICE:							
(Closed on 31st December, 1976)							
Furniture, Fittings and Office Equipment	142.89	0.00	142.89	18.10%	25.86	-	117.03
GRAND TOTAL	483108.22	139100.60	622208.82		138864.72	17728.18	465615.92
Previous Year's Figure	220578.23	320117.00	540695.23		57587.01	0.00	483108.22

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

N. K. Jain
Firm Proprietor

2, Chowringhee Road
Kolkata - 700013.
The 26th day of Sept. 2011.



[Signature]
Committee Member

Chairman

Secretary General

[Signature]

INDIAN JUTE MILLS ASSOCIATION

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF
THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND INCOME &
EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

A. Significant Accounting Policies:

1. Fixed Assets:

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

2. Depreciation:

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

3. Investments:

Investments are valued at cost.

4. Recognition of Income & Expenditure:

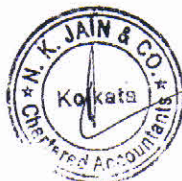
Income & Expenditure is accounted on accrual basis.

5. Notes:

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

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

Contd....p/2



- : 2 : -

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

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

N. K. Jain
Proprietor

[Signature]
Committee Member

[Signature]
Chairman

[Signature]
Secretary General

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

The 26th day of Sept. 2011.



INDIAN JUTE MILLS ASSOCIATION
BALANCE SHEET ABSTRACT AND COMPANIES BUSINESS
PROFILE FOR THE YEAR ENDED 31st MARCH, 2011

1. Registration Details:
Registration No. : 2147311 of 1989 State Code : 21
Balance Sheet Date : 31-03-2011
2. Capital raised during the year (Amount in Rs. Thousand):
Public Issue : NIL Right Issue : NIL
Bonus Issue : NIL Private Placement : NIL
3. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousand):

Total Liabilities : 13780	Total Assets : 13780
<u>Sources of Funds:</u>	<u>Application of Funds:</u>
Paid up Capital : NIL	Net Fixed Assets : 466
Reserve & Surplus : 10721	Investments : 359
Secured Loans : NIL	Net Current Assets : 9896
Unsecured Loans : NIL	Misc. Expenditure : NIL
	Accumulated Losses: NIL
4. Performance of Company (Amount in Rs. Thousands):

Turnover : 14076	Total Expenditure : 13166
Profit / Loss before Tax : (+)910	Profit/Loss after Tax: (+)910
Earning per Share : N.A.	Dividend rate % : N.A.
5. Generic Names of two Principal Services of Company
(As per Monetary Terms) :
ITC Code : N.A. Product Description : N.A.

2, Chowringhee Road
Kolkata-700 013.

The 26th day of Sept, 2011.

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

N. K. Jain
Proprietor

[Signature]

Chairman



[Signature]
Committee Member

[Signature]
Secretary General