

ANNUAL REPORT

2020 – 2021



NTADCL

**NEW TIRUPUR AREA DEVELOPMENT
CORPORATION LIMITED**

NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

(CIN : U91990TZ1995PLC005869)

Registered Office: No.66, Appachi Nagar Main Road, Kongu Nagar, Tirupur – 641 607

Tel: 0421-2486864/2481165 Fax: 0421-2486874

Website : www.ntadcl.co.in Email: contactus@ntadcl.com

BOARD OF DIRECTORS

Mr Shiv Das Meena, I.A.S.
(w.e.f. 23.06.2021)

Chairman

Mr Chandrakant B Kamble, I.A.S.
(w.e.f. 23.07.2021)

Managing Director

Mr S Krishnan, I.A.S.

Mr L Krishnan

Dr Malini V Shankar

Mr Faizal N Syed

Mr A Sakthivel

Mr Ramesh Subramaniam

Mrs K Bhoomalakshmi

Mr Baiju Mathew

BANKERS

State Bank of India
Commercial Branch
232, N S C Bose Road
Chennai – 600 001

AUDITORS

M/s Manohar Chowdhry & Associates
Chartered Accountants
(FRN No.001997S)
Subramaniam Street
Abiramapuram
Chennai 600 018

REGISTERED OFFICE

No.66 Appachi Nagar Main Road
Kongu Nagar
Tirupur – 641 607

CORPORATE OFFICE

“Polyhose Towers”
[SPIC Annex BLDG] 1st Floor
No.86 Mount Road,
Guindy, Chennai 600032

TIRUPUR OFFICE

37[Old No.23], “Raasi Towers”
Ground Floor, JG Nagar
Kumaranandapuram
60 Feet Road, Tirupur 641 602

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Sixth (26th) Annual General Meeting of the shareholders of NEW TIRUPUR AREA DEVELOPMENT CORPORATION LTD. will be held on Saturday, the 25th September 2021 at 11.00 a.m (IST) through Video conferencing (VC)/ or other audio visual means (OAVM), to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr S Krishnan, IAS (DIN 03439632), who retires by rotation under Article 182 of the Articles of Association of the Company, who being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr Faizal Syed (DIN 00317644), who retires by rotation under Article 182 of the Articles of Association of the Company, who being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), the approval of the members/shareholders of the Company be and are hereby accorded to approve the terms of appointment and remuneration of Mr Chandrakant B Kamble (DIN 02796228) as Managing Director of the Company, with effect from July 23, 2021 to June 30, 2024 (till his superannuation), as approved by the Board of Directors in its meeting held on July 23, 2021, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT Mr Shiv Das Meena, IAS (DIN 01881010) who was appointed as an Additional Director by the Board of Directors on 23rd June 2021 and who holds office as such up to the date of the Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 has been received from a member of the company signifying his intention to nominate Mr Shiv Das Meena, IAS as a Director of the Company, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to retire by rotation.”

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

“RESOLVED THAT Mr Baiju Mathew (DIN 05274214) who was appointed as an Additional Director by the Board of Directors on 19th March 2021 and who holds office as such up to the date of the Annual General and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 has been received from a member of the company signifying his intention to nominate Mr Baiju Mathew as a Director of the Company, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to retire by rotation.”

BY ORDER OF THE BOARD

Place: Chennai
Date : 27th August 2021

SHIV DAS MEENA
CHAIRMAN

NOTES :

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 followed by General Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Saturday, 25th September 2021 at 11.00 a.m (IST). The deemed venue for the 26th AGM will be the Registered office of the Company.
2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED WITH THE NOTICE.
3. All documents referred to in the accompanying Notice are open for inspection and it will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to company contactus@nadcl.com.
4. As per Companies (Prospectus and allotment of securities) Third Amendment Rules, 2018, securities of Unlisted Public Company can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members are requested to join for meeting via Microsoft Teams and the joining instructions will be sent by the company to their respective email addresses as provided by the members.

7. E-voting facility will be provided in Company's website: [www:ntadcl.co.in](http://www.ntadcl.co.in) under Notice Board, which will commence from 9.00 a.m on 22nd September 2021 and will continue till 5.00 p.m on 24th September 2021. The login details and procedure for e-voting will be communicated to their respective email addresses as provided by the members. Members already voted through remote e-voting, shall be entitled to attend the AGM but he/she shall not be entitled to vote at AGM.

BY ORDER OF THE BOARD

Place: Chennai
Date : 27th August 2021

SHIV DAS MEENA
CHAIRMAN

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 4 to 6 of the accompanying Notice.

Item No. 4 :

The Board of Directors of the Company at its meeting held on 23rd July 2021 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on 22nd July 2021, Mr Chandrakant B Kamble, IAS was appointed as a Managing Director of the Company w.e.f. 23rd July 2021 to 30th June 2024 (till his superannuation), subject to the approval of members/shareholders of the Company in Annual General Meeting in accordance with norms laid down in Schedule V and other applicable provisions of Companies Act, 2013 and rules made thereunder.

The information in respect of terms of remuneration & perquisites is as below:

- (1) **Tenure:** The appointment shall be with effect from date of joining -i.e 23rd July 2021 to 30th June 2024 (till his superannuation)
- (2) **Salary:** The Managing Director will draw the present Basic Pay of Rs.224,100/-. The Managing Director shall be entitled to increase in Basic salary as stipulated by the Government of Tamil Nadu from time to time
- (3) **Dearness allowance:** The payment of these allowances shall be regulated under AIS (DA) Rules. On the date of joining, the Dearness Allowance payable is Rs. 38,097/- per month. The Managing Director shall be entitled to increase in Dearness Allowance as stipulated by the Government of Tamil Nadu from time to time.
- (4) **City Compensatory Allowance:** On the date of joining, the City Compensatory Allowance payable is Rs.1200/- per month. The Managing Director shall be entitled to increase in City Compensatory Allowance as stipulated by the Government of Tamil Nadu from time to time.
- (5) **Other allowances:** As per the last drawn Pay certificate and the Managing Director shall be entitled to increase in allowances, as stipulated by the Government of Tamil Nadu from time to time.
- (6) **Perquisites:**
 - (a) **Housing:** On the date of joining, for House Rent Allowance of Rs.8300/- per month is payable. The Managing Director shall be entitled to increase in House Rent Allowance as stipulated by the Government of Tamilnadu from time to time.
 - (b) **Medical Reimbursement:** The Managing Director will be regulated under the existing rules of NTADCL and shall not be inferior to the facilities entitled to him under Government of India
 - (c) **Leave Travel Allowance:** The Managing Director would be entitled to Leave Travel Allowance as per the existing rules of NTADCL.

- (d) **Mediclaim and Personal Accident Insurance:** The Managing Director will be covered under the mediclaim and personal accident insurance schemes as per the Company policy.
- (e) **Car:** The Managing Director will be provided with a chauffeur driven car for use on Company's business as per the Company policy. The usage of car for private purposes will be billed by the Company to the Managing Director as per the rules of the Company.
- (f) **Telephone/ Data Card :** The Managing Director will be provided with telephone(s) at residence as per the rules of the Company. Personal long distance calls will be billed by the Company to the Managing Director as per the rules of the Company. Mobile/Broadband connection/Data Card will be provided by the Company.
- (g) **Leave Encashment:** Encashment of leave is permissible as per the Rules prescribed by the Government of India/ Tamilnadu subject to deduction of tax at source, as applicable.
- (h) **Leave and Pension:** During the period of deputation, the Managing Director will continue to be governed by the AIS (Leave) Rules, 1955 and the SAIS (DCRB) Rules, 1958. It is however understood that the quantum of such leave shall not exceed 30 working day, as per the rules of the Company. Further contributions to be made by the Company towards leave and pension contributions would not exceed an amount equivalent to 13% of the Monthly Compensation payable to the Managing Director.
- (i) **Provident Fund and Group Insurance:** The Managing Director will continue to subscribe to AIS (Provident Fund) Scheme. The liability of the Company on this accord would be restricted to 12% of the Monthly Compensation payable to the Managing Director. The Managing Director will continue to the Central Government Employees Insurance schemes and State Government insurance schemes.
- (7) **Deductions:** All the payments under the Terms of employment are subject to deduction of tax at source under the Income Tax Act and any other enactments that may be in force from time to time. The value of perquisites shall be calculated as per the prevailing Income Tax Rules.
- (8) **Full-time Association:** The Managing Director will be permitted to undertake any other business, work of public office, honorary or remunerative, only with prior written permission of the Company.
- (9) **Confidentiality:** The Managing Director will be required to maintain confidentiality about all matters, documents, books, and information relating to the Company's operations and this requirement for confidentiality would continue in perpetuity.
- (10) **Transfer:** The Managing Director will be located in Chennai. However, during the tenure of his association, the Company reserves the right to utilize his services in any other unit/place of the Company or its associate/affiliate Companies.
- (11) **Conduct and Discipline:** The Managing Director would continue to be governed by the AIS (Conduct) Rules, 1968 and AIS (Discipline and Appeals) Rules, 1968, subject to the conformity with the rules of the company.

- (12) **Residuary matters:** In all matters relating to conditions of this contract and benefits/perquisites/facilities not covered above, the Managing Director shall be governed by the rules of the Company.

The Board recommends the above resolution. One of the Directors representing a shareholder with special rights, has not approved the appointment of Mr Chandrakant B Kamble as Managing Director.

Except Mr Chandrakant B Kamble, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

Item No. 5:

Mr Shiv Das Meena, I.A.S. was appointed as an Additional Director by the Board of Directors of the Company in their meeting held on 23rd June 2021 to represent Tamilnadu Water Investment Company Limited [TWICL] and in terms of Section 160 of the Companies Act, 1956, notice has been received from a Member signifying their intention to propose the candidature of Mr Shiv Das Meena, I.A.S. for appointment as a Director whose office shall be liable to retire by rotation.

The Board recommends the above resolution, by way of passing as an Ordinary Resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr Shiv Das Meena, IAS.

Item No. 6:

Mr Baiju Mathew was appointed as an Additional Director by the Board of Directors of the Company in their meeting held on 19th March 2021 to represent Tamilnadu Water Investment Company Limited [TWICL] and in terms of Section 160 of the Companies Act, 1956, notice has been received from a Member signifying their intention to propose the candidature of Mr Baiju Mathew for appointment as a Director whose office shall be liable to retire by rotation.

The Board recommends the above resolution, by way of passing as an Ordinary Resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr Baiju Mathew.

BY ORDER OF THE BOARD

Place: Chennai
Date : 27th August 2021

SHIV DAS MEENA
CHAIRMAN

ANNEXURE 1
DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING
(Pursuant to Clause I.2.5 of Secretarial Standard – 2 on General Meetings)

| Name of Director | Mr S Krishnan | Mr Faizal N Syed |
|---|--|--|
| Age | 54 | 57 |
| Qualification | B.A.(Hons.) M.A. (Economics) | B.A. (Economics) M.B.A. (University of Chicago, Illinois, USA) |
| Experience | Mr S Krishnan, IAS, belongs to 1989 batch of Indian Administrative Service, has over 32 years of service in various Departments of Government of Tamilnadu. Currently, Mr S Krishnan, IAS holds the position of Additional Chief Secretary to Government, Finance Department, Government of Tamilnadu | Mr Faizal N Syed has over 30 years' experience in Financial Management and Investment Banking worldwide. Currently, Mr Faizal N Syed holds the position as Chairman and Managing Director in M/s Calatrava Advisors Pte. Ltd., Singapore |
| Terms and conditions of appointment and details of remuneration | Re-appointment on the basis of retire by rotation and no remuneration | Re-appointment on the basis of retire by rotation and no remuneration |
| Remuneration last drawn | Nil | Nil |
| Date of first appointment on Board | 09.09.2011 | 26.02.2002 |
| Shareholding in Company | Nil | Nil |
| Relationship with other Directors | Nil | Nil |
| Number of Meetings of Board attended | 4 | 4 |
| Directorships in other Companies | <ol style="list-style-type: none"> 1. Chennai Metro Rail Ltd 2. Tamilnadu Transmission Corpn Ltd 3. Tamilnadu Generation and Distribution Ltd 4. TNEB Ltd 5. Tamilnadu State Marketing Corpn Ltd 6. Tamil Nadu Industrial Development corporation Ltd 7. State Industries Promotion Corpn of Tamilnadu Ltd 8. Tamilnadu Skill Development Corpn. 9. Tamilnadu Newsprint and Papers Ltd 10. Tamilnadu Infrastructure Fund Management Corporation Ltd 11. Tamilnadu Power Finance & Infrastructure Development Corpn. Ltd | Nil |
| Other memberships/ chairmanships of committees of other Boards | <ol style="list-style-type: none"> 1. Chennai Metro Rail Ltd – Member – Audit Committee 2. Tamilnadu Transmission Corpn Ltd – Member – Audit Committee 3. Tamilnadu Generation and Distribution Ltd– Member – Audit Committee 4. TNEB Ltd – Member – Audit Committee 5. SIPCOT – Member – Audit Committee 6. Tamilnadu Infrastructure Fund Management Corporation Ltd – Member – Audit Committee | Nil |

| Name of Director | Mr Shiv Das Meena | Mr Chandrakant B Kamble | Mr Baiju Mathew |
|---|---|---|---|
| Age | 56 | 57 | 50 yrs |
| Qualification | B.E (Hons) (Civil Engg) Master in Intl Studies (Japan) | B Tech (Prod Engg) M.Tech (Ind Engg) | BE, MMS |
| Experience | Mr Shiv Das Meena, IAS, belongs to 1989 batch of Indian Administrative Service, has over 32 years of service in various Departments of Government of Tamilnadu. Currently, Mr Shiv Das Meena, IAS holds the position of Additional Chief Secretary to Government, Municipal Administration and Water Supply Department, Government of Tamilnadu | Mr Chandrakant B Kamble, IAS, Principal Secretary to Government of Tamilnadu, belongs to 1991 batch of Indian Administrative Service, has over 30 years of service in various Departments of Government of Tamilnadu. | More than 25 years' experience in Financial Services, Metals, Infrastructure, Oil & Gas |
| Terms and conditions of appointment and details of remuneration | Appointment as a Director, liable to retire by rotation and no remuneration | Appointment as Managing Director of the Company as per terms and conditions of appointment reported in Explanatory Statement Item No.4 | |
| Remuneration last drawn | Nil | Nil | Nil |
| Date of first appointment on Board | 23.06.2021 | 23.06.2021 | 19.03.2021 |
| Shareholding in Company | Nil | Nil | Nil |
| Relationship with other Directors | Nil | Nil | Nil |
| Number of Meetings of Board attended | -- | -- | 1 |
| Directorships in other Companies | 1. Adyar Poonga 2. Chennai Smart City Ltd 3. Tamilnadu Water Investment Company Limited 4. Tamilnadu Fibernet Corporation Ltd 5. Tamilnadu Water Sources Conservation and River Restoration Corpn. Ltd 6. Tamilnadu Urban Infrastructure Financial Services Ltd. | 1. Tamilnadu Transport Development Finance Corporation Limited | 1. IL&FS Urban Infrastructure Managers Ltd (IUIML) 2. Tamilnadu Water Investment Company Limited |
| Other memberships/ chairmanships of committees of other Boards | 1. Tamilnadu Water Investment Co. Ltd – Member, CSR Committee | | |

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(CIN : U91990TZ1995PLC005869)

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BOARD'S REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company with the audited financial statements and accounts for the year ended 31st March, 2021

Financial Results :

The figures given below pertain to the financial results of the water supply and sewerage business for the financial year 2020-21:

(Rs. in crores)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|------------|------------|
| Gross Income | 227.22 | 238.88 |
| Expenditure | 90.47 | 86.81 |
| Profit/(Loss) before Interest, depreciation and tax (PBIDT) | 136.75 | 152.07 |
| Interest expenses | 25.24 | 33.01 |
| Depreciation | 30.99 | 31.06 |
| Profit/(Loss) before tax (PBT) | 80.52 | 88.00 |
| Prior Period Adjustments | 0.60 | 0 |
| Provision for Taxation (MAT) | 0 | 0 |
| Profit/[Loss] after tax (PAT) | 81.12 | 88.00 |
| Balance of Profit/[Loss] b/fwd | (410.84) | (498.86) |
| Surplus[Deficit]carried to balance sheet | (329.72) | (410.84) |

Dividend:

Due to the huge accumulated loss and non-availability of distributable profits, no dividend is declared for the current year.

Review of Operations:

Adequate storage level was maintained in Mettur Dam and sufficient flow of water was discharged continuously and there was no interruption in plant operation due to river water during the year. The operations are carried as per standard operating procedure.

Industrial water off-take reduced about 8% due to COVID-19 Pandemic, compared to previous year FY 2019-20. However domestic off-take increased around 1% in FY 2020-21 compared to the previous year FY 2019 20. New potential areas and customers are being identified and it is hoped that the Company shall be able to further increase the industrial revenue by adding new customers.

The sewage treatment quantity increased about 16% in FY 2020-21 compared to the previous year FY 2019-20. The sewage operation is being operated as per the norms of Tamilnadu Pollution Control Board (TNPCCB). With the sewage network enhancement by Tirupur Corporation under the AMRUT Scheme, more residential houses are expected to be connected and thereby increase in supply of sewage for treatment is expected in the forthcoming years.

All safety precautionary measures against COVID-19 are initiated by NTADCL and necessary site safety awareness created among the staff. Caution Display and safe operating procedure (SOP) displayed at the relevant areas. Proper disinfection facilities, personal protective equipment (PPE) and emergency medical facilities are made available at the site. As per GoTN directions two dosage-vaccination was done as a precautionary measure, for NTADCL's site staff and MWUL's staff.

Financial Review

The revenue from operations of the Company reported as Rs.210.03 crores during the current year as against Rs. 212.03 crores during the previous year and your company has made a net profit of Rs.81.12 crores. Out of the Company's revenue of Rs.210.03 crores during the current year, Revenue of Rs. 197.25 crores was from Water business and Rs. 6.99 crores from Sewage Treatment during the current financial year. This is the Sixth successive year in which net profits have been earned. It is expected that the performance will improve further in the years to come. However, the accumulated losses upto 31st March 2021 are Rs.329.69 crores, which exceeds 50% of the paid up capital of the Company.

The appeal filed by an aggrieved shareholder against the judgement of the Madras High Court permitting implementation of the Corporate Debt Restructuring (CDR), is pending in the Supreme Court. The Government of Tamil Nadu, meanwhile has indicated that the conditions/restrictions imposed by the Madras High Court have been complied with and hence have released the remaining amount of contribution due from them towards equity share capital. The said capital contribution is retained in a Public Deposit account with the Government of Tamil Nadu in the name of the Company pending disposal of application filed before the National Company Law Tribunal (erstwhile Company Law Board).

Corporate Governance

a) Board Meetings

The Board met four times during the financial year ie. on 31st July 2020, 28th August 2020, 18th December 2020 and 19th March 2021. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

b) Board of Directors

During the year 2020-21,

- i) Mr Baiju Mathew was appointed with effect from 19th March 2021 as an Additional Director.
- ii) Mr Mahendra Mohan Naik, Nominee Director of IDBI Bank has resigned from the Board on 18th January 2021 and in his place Ms K Bhoomalakshmi was appointed with effect from 19th March 2021.

- iii) Mr Shiv Das Meena was appointed as an Additional Director and Chairman of the Board on 23rd July 2021 in place of Mr Harmander Singh.
- iv) Mr Chandrakant B Kamble was appointed as an Additional Director on 23rd June 2021 and further he was appointed as Managing Director of the Company by the Board in its meeting held on 23rd July 2021, subject to the approval of the shareholders of the Company. A resolution seeking Shareholders' approval for his appointment forms part of the Notice of the ensuing Annual General Meeting.

Mr Faizal Syed and Mr S Krishnan, Directors retire by rotation at the forthcoming, annual General Meeting. They are eligible for re-appointment as Directors, liable to retire by rotation.

c) **Managing Director**

Subsequent of the close of the financial year 2020-21, the Board of Directors in their meeting held on 23rd July 2021 has by majority, appointed Mr Chandrakant B Kamble, as Managing Director of the Company, subject to approval by the shareholders in the ensuing Annual General Meeting. One of the Directors representing a shareholder with special rights, has not approved the said appointment.

d) **Audit Committee:**

The composition of the Audit Committee at the end of financial year (FY 2020-21) was as follows :

1. Mr Faizal N. Syed
2. Ms K Bhoomalakshmi
3. Dr Malini V Shankar
4. Mr Ramesh Subramaniam

The Audit Committee met three times during the FY 2020-21 ie. on 31st July 2020, 28th August 2020 and 18th December 2020.

e) **Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration Committee at the end of financial year (FY 2020-21) was as follows :

1. Mr. Faizal N. Syed
2. Mr. L Krishnan
3. Ms. K Bhoomalakshmi

The Nomination and Remuneration met one time during the FY 2020-21 ie. on 31st July 2020.

f) **Corporate Social Responsibility (CSR) Committee**

The composition of the Corporate Social Responsibility (CSR) Committee at the end of financial year (FY 2020-21) was as follows:

1. Mr Harmander Singh
2. Mr S. Krishnan

3. Mr Ramesh Subramaniam

The CSR Committee has met one time during the FY 2020-21 ie. on 8th September 2020.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR Committee of the Board of Directors was formed to recommend

- a. the policy on Corporate Social Responsibility (CSR) and
- b. implementation of the CSR Projects to be undertaken by the Company as per the CSR Policy for consideration and approval by the Board of Directors.

Based on the recommendation of the CSR Committee, the Board has approved to spend 2% of average net profits, made during the three immediately preceding financial years towards CSR spending for the current financial year FY 2020-21 amounting to Rs.1,05,39,368/- in the following activities:

- i) To contribute Rs.50,00,000/- to the Tamil Nadu State Disaster Management Authority for the spending on COVID-19 activities
- ii) To contribute Rs.25,00,000/- towards construction of Swimming Pool by the District authorities, Tirupur
- iii) To contribute Rs.30,39,368/- towards activities relating to promotion of Education including Infrastructure Development of Schools by Tirupur Corporation.

The entire amount has been spent during the financial year FY 2020-21 in the aforesaid activities.

Annual Report on CSR in the prescribed format is enclosed as **Annexure – D**. The CSR policy of the Company is available in the web site: <http://www.ntadcl.co.in>.

Report on performance of Subsidiaries, Associate companies and Joint ventures: (Rule 8(1) of, Companies (Accounts) Rules, 2014) – Not applicable

Particulars of Employees

The Company had no employee, who was employed throughout the financial year or part of financial year and was in receipt of remuneration exceeding the limits prescribed under 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 during the year ended 31st March 2021.

Particulars of Contracts, arrangements made with Related Parties

There were no contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

Conservation of energy, technology absorption & foreign exchange earnings & outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are set out in the '**Annexure A**' to this report.

Material Changes

There are no Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report (Sec 134 (3) (l) of the Act).

No material order passed by the Regulators or Court or Tribunals during the financial year, impacting the going concern status and company's operation in future (Rules 8(5) (vii) of Companies (Accounts) Rules, 2014.

There are no changes in the nature of the business during the year.

Statement concerning development of Risk Management Policy

Your Company recognizes that Risk Management is an integral part of good management practice. The independent Internal Audit function carries out risk focused audit, enabling identification of areas where risk management process may need to be improved. The Audit Committee and the Board of Directors review Internal Audit findings and provides strategic guidance on internal controls. Your Company has adopted a Risk Management Policy which includes identification of elements of risk, its mitigation and residual risks if any, which in the opinion of the Board, may have adverse impact on the operation of the Company.

Fixed deposits

The Company has not accepted/renewed any public deposits during the year under review.

Auditors

The Board of Directors in their meeting held on 31st July 2020, on the recommendation of the Audit Committee, has appointed M/s Manohar Chowdhry & Associates, Chartered Accountants, Chennai as the Statutory Auditors of the Company, for a period of 5 years ie. from the conclusion of 25th AGM till the conclusion of 30th AGM (till the financial year 2024-25). M/s Manohar Chowdhry & Associates, Chartered Accountants have submitted a certificate confirming that their appointment will be in accordance with the provisions Section 139(1) read with Section 141 of the Act. The Audit Report of M/s Manohar Chowdhry & Associates, Chartered Accountants on the Financial Statements of the Company for the Financial Year 2020-21 is part of Annual Report.

Response to the Qualification contained in the Auditors Report for the Financial Year 2020-21

The response of Management on the qualifications contained in the Auditors Report on the Annual Accounts of the Company for the Financial Year ended 31st March 2021 are as follows:

1. With regard to the non-compliance under Section 203 of the Act, it may please be noted that resolutions placed at the Board meetings for appointment of Chief Financial Officer could not be passed by the Board as the resolution was not accepted by a Director who exercised his right of veto based on special rights vested on shareholder's nominee on the Board by the Articles of Association. With regard to appointment of Managing Director, subsequent to close of the financial year, the Board, by majority, has appointed Mr Chandrakant B Kamble, IAS as Managing Director of the Company, subject to approval by the shareholders in the ensuing Annual General Meeting. One of the Directors representing a Shareholder with special rights, has not approved the said appointment.

2. With regard to appointment of Independent Directors under Section 149(4) of the Companies Act, 2013, it may please be noted that the company is awaiting consent for the appointment of Independent Directors, from its shareholders, who have special rights vested by the Articles.
3. With regard to the non- compliance under Section 134(3)(p), 135, 177 & 178 of the said Act, it may please be noted that the company is awaiting consent for the appointment of Independent Directors, from its shareholders, who have special rights vested by the Articles and the evaluation of performance could be done on re-constitution.
4. On the applicability of Goods and Service Tax (GST) on ancillary services as per the ruling of Appellate Authority for Advance Ruling, the Company is considering to file a Writ Petition on grounds that when the main products/services are exempted, the ancillary products/services are also exempted, as advised by the legal counsel.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board has appointed Mr V Suresh Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended on 31st March 2021 is annexed as '**Annexure B**' to this Report. The explanation on the observations made on the Secretarial Audit Report are as below:

1. With regard to the non- compliance under Section 203 of the Act, it may please be noted that resolutions placed at the Board meetings for appointment of Chief Financial Officer could not be passed by the Board as the resolution was not accepted by a Director who exercised his right of veto based on special rights vested on shareholder's nominee on the Board by the Articles of Association. With regard to appointment of Managing Director, subsequent to close of the financial year, the Board, by majority, has appointed Mr Chandrakant B Kamble, IAS as Managing Director of the Company, subject to approval by the shareholders in the ensuing Annual General Meeting. One of the Directors representing a Shareholder with special rights, has not approved the said appointment.
2. With regard to appointment of Independent Directors, it may please be noted that the company is awaiting consent for the appointment of Independent Directors, from its shareholders, who have special rights vested by the Articles.
3. With regard to the non- compliance under Section 134, 135, 149, 177 & Section 178 of the said Act, it may please be noted that the company is awaiting consent for the appointment of Independent Directors, from its shareholders, who have special rights vested by the Articles and the evaluation of performance could be done on re-constitution.

Secretarial Standards Compliances

The Company complies with all applicable secretarial standards.

Annual Return

In Accordance with Section 134(3)(a) read with Section 92 (3) of the Companies Act, 2013, read with Rule 12 (1) of Companies (Management and Administration) Rules, 2014, the annual return in Form MGT-7 has been placed on Company's website at www.ntadcl.co.in

Particulars of Loans, Guarantees or Investments

The Company has not provided any loans or guarantees or made investments under Section 186 of the Companies Act, 2013.

Directors' responsibility statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- 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.

Adequacy of internal financial control with reference to financial statements: (Rule 8(5)(viii) of Companies (Accounts) Rules, 2014

The Company's internal financial control with reference to Financial Statements are adequate.

Maintenance of Cost Records as required under sub-section (i) of Section 148 of The Companies Act, 2013 (Rule 8(5)(ix) of Companies (Accounts) Rules, 2014 - Not applicable

Certificate pursuant to clause 11.7.2 of the shareholders' agreement

The certificate pursuant to Clause 11.7.2 of the Shareholders Agreement is attached as 'Annexure C' to this report.

Disclosure under the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, no complaints were reported to/resolved by the Company under the aforesaid Act.

Acknowledgement:

The Board acknowledges with grateful thanks the support of the Government of Tamil Nadu, Tirupur Corporation, the Shareholders, various Financial Institutions and Commercial Banks for their valuable guidance and look forward to their continued support in the future.

For and on behalf of the Board

Place : Chennai
Dated : 27th August 2021

**SHIV DAS MEENA
CHAIRMAN**

Particulars required under Rule 8(3) the Companies (Accounts) Rules, 2014

a) Conservation of Energy

Optimal energy usage and nominal power factor are being maintained in Water Treatment plant (WTP), Booster Pumping Station (BPS) and Master Balancing Reservoir (MBR).

In WTP, existing reciprocating compressor was replaced with Energy Efficient Screw compressor and the cost saving is Rs.0.80 Lakhs /Annum. WTP commercial street light fixtures were replaced with LED light fixtures (70W to 45W) and energy cost savings is Rs.0.65 Lakhs/annum.

In CWPS major pumps 1000mm suction butterfly valves 2 nos were replaced with imported valves. The water passing arrested and resulting in cost savings of Rs 1.24 lacs per annum.

In MBR 2000KVA distribution transformers were replaced with On Load Tap Changer (OLTC) Transformers to mitigate the voltage issues. Due to improved Efficiency level of new transformers, energy saving cost 1.20 lakhs / annum is achieved.

In Water Distribution Station (WDS) 25 & 26, 5nos Star Delta starter was replaced by VFD and the cost savings is about Rs.7.35 Lakhs / Annum.

In all WDS locations RTU panel rooms (26nos) commercial light fittings were replaced with LED light fixtures and energy cost savings of Rs. 0.50 lakhs/ annum is achieved.

b) Technology Absorption

No imported technology is involved which is required to be absorbed.

c) Foreign Exchange Earnings and Outgo

a) Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans-

Not applicable to the line of business

b) Total foreign exchange used and earned: NIL

For and on behalf of the Board

Place : Chennai
Dated : 27th August 2021

SHIV DAS MEENA
CHAIRMAN

V Suresh Associates

PCS • Insolvency Professional • Regd. Valuer of Financial Assets

Phone : 044 – 4211 1701

E-mail: vsureshpcs@gmail.com

No.28, 1st Floor, Ganapathy Colony, IIIrd Street, Teynampet, Chennai - 600 018.

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2020-21

[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,

M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and for the purpose of issuing this Report.

Based on our verification of **M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED** 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

(“the Company”) for the financial year ended on 31st March 2021 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; **(NOT APPLICABLE)**

- (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; **(NOT APPLICABLE)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(NOT APPLICABLE)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(NOT APPLICABLE)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(NOT APPLICABLE)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(NOT APPLICABLE)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(NOT APPLICABLE)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(NOT APPLICABLE)**

We 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. **(NOT APPLICABLE)**

We further report that the Board of Directors of the Company is constituted with Non- Executive Directors only. 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.

Observations under the Companies Act, 2013

1. *The Company has not appointed KMPs i.e. Managing Director/Whole-time Director/Manager/Chief Executive Officer and Chief Financial Officer as required under Section 203 of the Act.*
2. *The Company has to appoint two more Independent Directors to comply with Section 149 of the Companies Act, 2013.*
3. *The Company has constituted Audit Committee (Section 177), Nomination Remuneration Committee (Sec 178) and Corporate Social Responsibility (Sec 135). But, the composition of the said Committees is not in accordance with the provisions of the Companies Act, 2013. The company has not established the Vigil Mechanism Policy as required under the Section 177 read along with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and not conducted the Independent Directors Meeting as required under Section 149 and Schedule IV of the Act, Further, the Company has not carried out the Director's Evaluation as required under Section 134 of the said Act.*

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to 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.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For V Suresh Associates
Practising Company Secretaries

Place: Chennai
Date: 10.08.2021

Udaya Kumar K R
Partner
ACS No. 42435
C.P.No. 21973
Peer Review Cert.No. : 667/2020
UDIN: A042435C000763971

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members

M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

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

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

For V Suresh Associates
Practising Company Secretaries

Place: Chennai
Date: 10.08.2021

Udaya Kumar K R
Partner
ACS No. 42435
C.P.No. 21973
Peer Review Cert.No. : 667/2020
UDIN: A042435C000763971

“Annexure C” to the Board’s Report

Certificate pursuant to Clause 11.7.2 of the Shareholders’ Agreement of New Tirupur Area Development Corporation Limited:

The Board of Directors of the Company hereby certifies that none of the Directors, officers, agents, employees, or other persons acting on behalf of the Company has made any offer of payment or gift of, or promise to pay or give, any money or anything of value, directly or indirectly, to : (i) any officer, official, or employee of any government or any department, agency, subdivision or instrumentally thereof, (ii) any political party, official or candidate for political office, or (iii) any person, in each case contrary to applicable law.

For and on behalf of the Board

Place : Chennai
Dated : 27th August 2021

SHIV DAS MEENA
CHAIRMAN

"Annexure D" to the Board's Report

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

- | | |
|--|---|
| 1. Brief outline on CSR Policy of the Company: | The Policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs in activities covered under Schedule VII of the Companies Act, 2013. The Company's CSR Policy has been uploaded in the weblink : www.ntadcl.co.in/csrapolicy.html |
|--|---|

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------|--------------------------------------|--|--|
| 1. | Mr Shiv Das Meena | Chairman | 1 | -- |
| 2. | Mr Chandrakant B Kamble | Member | 1 | -- |
| 3. | Mr Ramesh Subramaniam | Member | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company www.ntadcl.co.in/csrapolicy.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (Rs. in crore) | Amount required to be set-off for the financial year, if any (Rs. in crore) |
|---------|----------------|--|---|
| | | NIL | |

- | | |
|--|-----------------|
| 6. Average net profit of the company as per section 135(5) | Rs.52.70 crores |
| 7. (a) Two percent of average net profit of the company as per section 135(5) | Rs.1.05 crore |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, | Nil |
| (c) Amount required to be set off for the financial year, if any | Nil |

(d) Total CSR obligation for the financial year (7a+7b- 7c).

Rs.1.05 crores

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (Rs. in crore) | Amount Unspent (Rs. in crore) | | | | |
|--|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 1.05 | NIL | -- | -- | Nil | -- |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) Sl. No. | (2) Name of the Project. | (3) Item from the list of activities in Schedule VII to the Act. | (4) Local area (Yes/ No) | (5) Location of the project. | | (6) Project duration | (7) Amt allocated for the project (in Rs.) | (8) Amt spent in the current financial Year (in Rs.). | (9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | (10) Mode of Implementation Direct (Yes/No). | (11) Mode of Implementation Through Implementing Agency | Name | CSR Registration number |
|----------------|-----------------------------|---|-----------------------------|---------------------------------|----------|-------------------------|---|--|--|---|--|------|-------------------------|
| | | | | State | District | | | | | | | | |
| NIL | | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule VII to the Act. | (4) Local area (Yes/ No). | (5) Location of the project. | | (6) Amount spent for the project (Rs. in lakhs.) | (7) Mode of implementation Direct (Yes/No). | (8) Mode of implementation – Through implementing agency | |
|----------------|----------------------------------|---|------------------------------|---------------------------------|----------|---|--|---|-------------------------|
| | | | | State | District | | | Name | CSR registration number |
| 1. | Promotion of education | (ii) | Yes | Tamilnadu | Tiruppur | 30.39 | Yes | -- | -- |
| 2. | Disaster Management (Covid) | (xii) | Yes | Tamilnadu | NA | 50.00 | Yes | -- | -- |
| 3 | Training to promote rural sports | (vii) | Yes | Tamilnadu | Tiruppur | 25.00 | Yes | -- | -- |
| | TOTAL | | | | | 105.39 | | | |

| | |
|---|----------------|
| (d) Amount spent in Administrative Overheads | NIL |
| (e) Amount spent on Impact Assessment, if applicable | NIL |
| (f) Total amount spent for the Financial Year (8b+8c+8d+8e) | Rs.1.05 crores |

(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (Rs. in crores) |
|---------|---|------------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 1.05 |
| (ii) | Total amount spent for the Financial Year | 1.05 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | -- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -- |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | -- |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years (in Rs.) |
|----------------|---------------------------|--|--|--|-----------------|------------------|---|
| | | | | Name of the Fund | Amount (in Rs). | Date of transfer | |
| Not applicable | | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|----------------|------------|---------------------|---|------------------|---|--|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year (in Rs.) | Status of the project Completed /Ongoing. |
| Not applicable | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

| | |
|---|----------------|
| a. Date of creation or acquisition of the capital asset(s). | None |
| b. Amount of CSR spent for creation or acquisition of capital asset. | NIL |
| c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Not applicable |
| d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Not applicable |

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not applicable

Name of the Director : Chandrakant B Kamble
Managing Director

Name of the Director : Shiv Das Meena
Chairman

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2021, and its profit, and its cash flows for the year then ended.

Basis for Qualified Opinion

1. As per Section 203 of the Companies Act, 2013, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a public company having a paid-up share capital of ten crore rupees or more shall have Whole-time key Managerial personnel. However, the company has not complied with this requirement as at 31st March 2021.
2. As per Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014, a public company having Share capital of ten crores rupees or more, or turnover of one hundred crores rupees or more, or aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees, shall appoint at least two independent directors or such higher number of independent directors based on the composition of audit committee. However, the company has not complied with this requirement as at 31st March 2021.
3. The composition of Audit committee (Section 177), Nomination remuneration Committee (Section 178) and Corporate Social Responsibility Committee (Sec 135) is not in accordance with the provisions of the Companies Act, 2013 due to default under section 149(4) mentioned above.



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#27, Subramaniam Street, Abiramapuram,

Chennai - 600 018, Tamil Nadu

Tel: +91 44 42903333 / 42903300

Fax: +91 44 42903350

Chennai • Bengaluru • Dubai • Gurgaon • Hyderabad • Mumbai
Coimbatore • Kochi • Madurai • Mangaluru • Vijayawada • Vizag • Nellore

Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

4. As per Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and Powers) Rules, 2014, every company which is having borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances. However, the company has not complied with this requirement as at 31st March 2021.
5. As per Section 134(3)(p) of the Companies Act, 2013, every public company having a paid-up share capital of twenty-five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors. However, the company has not complied with this requirement as at 31st March 2021.
6. On the applicability of Goods and Service Tax (GST) to the products and services supplied by the company, the management has filed petition before the Appellate Authority for Advance Ruling (AAAR) to seek clarity. The AAAR vide its ruling dated 30th June 2021 has pronounced that the key business of the company in respect of sale of water and sewerage treatment are not subject to the levy of GST. However, the ruling has concluded that the services which are ancillary or incidental to water and sewerage treatment are subject to the levy of GST. This ruling may have impact on the financials of the company and the management is in the process of quantifying the probable outflow both from GST and the erstwhile service tax Rules. In view of the same, we are unable to quantify the amount of statutory dues payable on account of GST/Service tax arising out of the Advance ruling.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Material Uncertainty related to Going Concern

We draw attention to Note 32 in the financial statements which indicates that the Corporate Debt restructuring (CDR) undertaken by the company during the financial year 2011-12 has been litigated by a shareholder in Hon'ble Supreme court, which is pending for adjudication as on the date of this report. A material uncertainty regarding the outcome of a litigation where in an unfavourable decision could result in a significant outflow of resources for the company which



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Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

may cast significant doubt on company's ability to continue as going concern of the company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements 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. We have determined that there are no key audit matters to communicate in our report.

Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures thereto, but does not include the financial statements and our auditor's report thereon. The Board report has not been made available to us as on this date of Auditor report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in the or otherwise appears to be materially misstated.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall,

- (a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- (b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this auditor's report is prepared.

Responsibility of Management for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (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, read with relevant rules issued there under.



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Chennai - 600-018, Tamil Nadu

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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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls refer to our separate Report in "Annexure 2" to this report;



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Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

- g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the Company has not paid or provided remuneration in the books and accordingly the question of exceeding the limits laid down under Section 197 read with Schedule V to the Act doesn't arise; and
- h. With respect to the other matters to be included in the Auditors' 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements— Refer Notes 24 to the financial statements;
 - The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date: 23rd July 2021

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No: 0019975

K. Sunil Kumar

K Sunil Kumar
Partner

Membership No: 231416
UDIN: 21231416AAAACS9414



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of **NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED** for the year ended March 31, 2021, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of time. In accordance with the program, the fixed assets have been verified during the year end and no material discrepancies were noticed on such verification; and
(c) According to the information and explanations given by the management the title deeds of immovable properties included in Property Plant and Equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) The company has not granted any loans to parties covered in the register maintained under section 189 of the Act during the year. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to parties covered under section 185 and 186 of the Companies Act, 2013. Accordingly, provisions of Sec 185 and 186 of the Companies Act is not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanation given to us, the maintenance of cost records is not specified by the Central Government under sub-section (1) of the Section 148 read with the Companies (cost records and audit) Rules, 2014 for the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.
- (vii) (a) In our opinion and according to the information given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Professional Tax, Income-tax, Goods and Services Tax, Cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.



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According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Income Tax, Provident Fund, Employees' State Insurance, Professional Tax, Goods and Services Tax, Cess were in arrears as at March 31, 2021, for a period of more than six months from the date they became payable except in respect of Rs. 9,56,36,949 of demand raised under Section 5 read with Rule 2(6) of The Water (Prevention and Control of Pollution) Cess Act, 1977, the company has not remitted to appropriate authority as on the date of this report.

(b) As per the information and explanations given to us, there are no statutory dues which have not been deposited by the Company on account of disputes.

- (viii) According to the information and explanations given by the management the Company has not defaulted in the repayment of loans or borrowings to any banks, financial institutions and government existing as at the balance sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us Managerial remuneration has neither been paid nor provided by the Company in the books and accordingly the question of exceeding the limits laid down under Section 197 read with Schedule V to the Act doesn't arise. Further, we were informed that the resolution placed at the Board meetings for appointment of Managing Director could not be resolved by the Board as the resolution was not accepted by a director who exercised his right of veto based on special rights vested on shareholder's nominee on the Board by the Articles of Association.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of Act where ever applicable and the details of such transactions have been disclosed in the financial Statements as required by the applicable accounting standards.



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Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

- (xiv) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not made any preferential allotment or private placement of shares or issue of debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Place: Chennai

Date: 23rd July 2021

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Registration No: 001997S

K. Sunil Kumar

K Sunil Kumar

Partner

Membership No: 231416

UDIN: 21231416AAAACS9414



Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

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 New Tirupur Area Development Corporation Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 in all material respects.



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Manohar Chowdhry & Associates

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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:

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

Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanation given to us, 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



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Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai

Date: 23rd July 2021

For Manohar Chowdhry & Associates

Chartered Accountants
Firm Registration No: 001997S

K. Sunil Kumar

K Sunil Kumar
Partner

Membership No: 231416
UDIN: 21231416AAAACS9414



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

| BALANCE SHEET AS AT 31ST MARCH, 2021 | | | |
|--|-------------|---------------------------------|---------------------------------|
| PARTICULARS | NOTE | AS AT 31.03.2021 (₹) | AS AT 31.03.2020 (₹) |
| I. EQUITY & LIABILITIES | | | |
| 1. Shareholder's Funds | | | |
| a. Share Capital | 1 | 6,00,00,00,000 | 6,00,00,00,000 |
| b. Reserves & Surplus | 2 | (3,29,71,54,879) | (4,10,84,19,362) |
| 2. Non-Current Liabilities | | | |
| a. Long Term Borrowings | 3 | 3,07,10,03,268 | 3,82,23,35,193 |
| 3. Current Liabilities | | | |
| a. Trade Payables | 4 | | |
| i) Total outstanding dues of micro enterprises and small enterprises; and | | 21,90,358 | - |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,60,05,488 | 4,38,39,283 |
| b. Other Current Liabilities | 5 | 26,94,69,789 | 50,51,65,154 |
| c. Short Term Provisions | 6 | 65,63,276 | 99,88,830 |
| TOTAL | | 6,08,80,77,300 | 6,27,29,09,098 |
| II ASSETS | | | |
| 1. Non-Current Assets | | | |
| a. Property, Plant and Equipment | | | |
| i. Tangible | 7 | 4,76,20,13,996 | 5,06,81,01,203 |
| b. Long term loans and advances | 8 | 8,50,44,837 | 8,07,06,662 |
| c. Other non-current assets | 9 | 21,02,500 | 68,20,000 |
| 2. Current Assets | | | |
| a. Inventories | 10 | 2,82,38,830 | 2,74,70,123 |
| b. Trade Receivables | 11 | 1,04,63,84,293 | 90,19,35,205 |
| c. Cash & Cash Equivalents | 12 | 13,42,07,456 | 11,68,13,558 |
| d. Short term loans and advances | 13 | 3,00,85,388 | 7,10,62,347 |
| TOTAL | | 6,08,80,77,300 | 6,27,29,09,098 |

Significant accounting policies
Notes to the financial statements

A
B(1-45)

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

As per our report of even date
For MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
FRN No: 0019975

Shiv Das Meena

Shiv Das Meena
Chairman
DIN-01881010

Chandrakant B. Kamble

Chandrakant B. Kamble
Managing Director
DIN-02796228

K. Sunil Kumar

K Sunil Kumar
Partner

S Ramasundaram
S Ramasundaram
Company Secretary
Membership No. FCS3977
Place: CHENNAI
Date: 23-July-2021



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

| STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 st MARCH, 2021 | | | |
|--|------|---|---|
| PARTICULARS | NOTE | For The Year ended 31.03.2021 (₹) | For The Year ended 31.03.2020 (₹) |
| I. Revenue from Operations | 14 | 2,10,03,13,444 | 2,12,03,10,367 |
| II. Other Income | 15 | 17,19,25,688 | 26,85,00,524 |
| III. Total Revenue | | 2,27,22,39,132 | 2,38,88,10,891 |
| IV. Expenses | | | |
| i. Cost of Materials Consumed | 16 | 62,51,231 | 1,17,12,710 |
| ii. Changes in inventories of Finished Goods, Work-in-progress and Stock in trade | 17 | 1,52,289 | (36,489) |
| iii. Employee Benefits Expense | 18 | 2,95,87,646 | 2,65,73,814 |
| iv. Finance costs | 19 | 25,24,43,750 | 33,00,87,977 |
| v. Depreciation & Amortization | 7 | 30,98,82,575 | 31,05,57,944 |
| vi. Other Expenses | 20 | 86,86,79,866 | 82,98,57,762 |
| Total Expenses | | 1,46,69,97,357 | 1,50,87,53,718 |
| V. Profit/(loss) before exceptional and extraordinary items and tax | | 80,52,41,775 | 88,00,57,173 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax | | 80,52,41,775 | 88,00,57,173 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax | | 80,52,41,775 | 88,00,57,173 |
| X. Tax Expense: | | | |
| a. Current Tax | | - | - |
| b. Deferred Tax | | - | - |
| XI. Profit or Loss for the year | | 80,52,41,775 | 88,00,57,173 |
| XII. Prior Period Adjustments | 21 | 60,22,708 | - |
| XIII. Profit attributable to shareholders | | 81,12,64,483 | 88,00,57,173 |
| XIV. Earning Per Share | | | |
| a. Basic EPS | | 1.35 | 1.47 |
| b. Diluted EPS | | 1.35 | 1.47 |

Significant accounting policies **A**
Notes to the financial statements **B(1-45)**

For and on behalf of Board of Directors of
**NEW TIRUPUR AREA DEVELOPMENT
CORPORATION LIMITED**

As per our report of even date
For **MANOHAR CHOWDHRY & ASSOCIATES**
Chartered Accountants
FRN No: 0019975

Shiv Das Meena

Shiv Das Meena
Chairman
DIN-01881010

Chandrakant B Kamble

Chandrakant B Kamble
Managing Director
DIN-02796228

K. Sunil Kumar

K Sunil Kumar
Partner

Membership No. 231416

S Ramasundaram

S Ramasundaram
Company Secretary
Membership No. FCS3977
Place: CHENNAI
Date: 23-July-2021



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | For The Year ended 31.03.2021 | | For The Year ended 31.03.2020 | |
|---|-------------------------------|-------------------------|-------------------------------|-------------------------|
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| I. Cash flows from operating activities: | | | | |
| Net profit before taxation, and extraordinary item | 80,52,41,775 | | 88,00,57,173 | |
| Adjustments for: | | | | |
| Depreciation & Amortization | 30,98,82,575 | | 31,05,57,944 | |
| Interest Income on Fixed Deposits | (79,01,899) | | (1,92,63,300) | |
| Interest expenses | 25,24,43,750 | | 33,00,87,977 | |
| Operating profit before working capital changes | 1,35,96,66,201 | | 1,50,14,39,794 | |
| Working capital changes: | | | | |
| (Increase)/Decrease in trade receivables | (13,97,31,588) | | (33,05,67,145) | |
| (Increase)/Decrease in inventories | (7,68,707) | | (63,71,138) | |
| (Increase)/Decrease in loans and advances | 3,66,38,784 | | 16,75,20,308 | |
| Increase/(Decrease) in trade payables | (56,43,437) | | (21,92,80,636) | |
| Increase/(Decrease) in other current liabilities | (23,91,20,919) | | 8,67,73,578 | |
| Cash generated from operations | 1,01,10,40,334 | | 1,19,95,14,761 | |
| Extraordinary Items | | | | |
| Prior period Items | 60,22,708 | | | |
| Less: Income taxes paid (Net of refund) | | | | |
| Net cash from operating activities | | 1,01,70,63,042 | | 1,19,95,14,761 |
| II. Cash flows from investing activities: | | | | |
| Purchase of fixed assets | (37,95,369) | | (28,00,097) | |
| Expenditure incurred on Capital Work in Progress | - | | | |
| Sale of Fixed Assets | - | | 61,117 | |
| Interest Income on Fixed Deposits | 79,01,899 | | 1,92,63,300 | |
| Net cash from investing activities | | 41,06,530 | | 1,65,24,320 |
| III. Cash flows from financing activities: | | | | |
| Principal Repayment on Loans and Borrowings | (75,13,31,925) | | (94,13,01,133) | |
| Interest paid | (25,24,43,750) | | (33,00,87,977) | |
| Net cash from financing activities | | (1,00,37,75,675) | | (1,27,13,89,110) |
| Net increase/decrease in cash and cash equivalents | | 1,73,93,897 | | (5,53,50,029) |
| Opening Cash and cash equivalents | | 11,68,13,558 | | 17,21,63,587 |
| Closing Cash and cash equivalents | | 13,42,07,456 | | 11,68,13,558 |
| Cash Balance | | 7,62,160 | | 2,07,843 |
| Bank Balance- Current Account | | 13,83,349 | | 4,32,30,887 |
| Fixed Deposits | | 13,20,61,947 | | 7,33,74,828 |
| Cash and cash equivalents at the end of the period | | 13,42,07,456 | | 11,68,13,558 |

Significant accounting policies

Notes to the financial statements

A

B(1-45)

For and on behalf of Board of Directors of

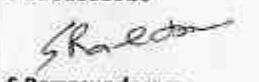
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED


Shiv Das Meena

Chairman
DIN-01881010


Chandrakant B Kamble

Managing Director
DIN-02796228



S Ramasundaram
Company Secretary
Membership No. FCS3977

Place: CHENNAI
Date: 23-July-2021

As per our report of even date
For MANOHAR CHOWDHRY & ASSOCIATES

Chartered Accountants

FRN No: 0019975


K Sunil Kumar

Partner

Membership No. 231416



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A. Significant accounting policies

The financial statements are prepared in accordance with the Standards of Accounting issued by Institute of Chartered Accountants of India and referred to in Section 133 and in the form referred to in Section 129 of the Companies Act 2013. The significant accounting policies are as follows:

1. Method of Accounting

The Company follows Mercantile System of accounting and recognizes income and expenditure on accrual basis.

2. Accounting assumptions

The accounts have been prepared on the basis of going concern concept, with revenues recognized and expenses accounted on their accrual and amounts determined as receivable or payable during the year in accordance with the applicable standards.

Claims arising from the contracts shall be accounted for in the year of acceptance.

3. Property, Plant and Equipments

Fixed Assets are stated at cost of acquisition less accumulated depreciation, wherever applicable. Cost comprises of purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

Cost of lease hold land is being amortized over the lease period.

4. Depreciation & Amortization

The Company has technically assessed the fixed assets of the Company and determined the useful life of these assets based on which depreciation has been computed. Depreciation on each part of an item of Fixed Asset is provided using the Straight-Line Method.

Fixed Assets are depreciated in line with the provisions of Schedule II of Companies Act 2013 over their estimated remaining useful life by taking into account the minimum of

- (i) Estimated life of the asset as given in the Companies Act or
- (ii) Estimated useful life of the asset based on technical estimate or
- (iii) Life of the project as indicated in the Concession Agreement

Assets costing less than Rs.5,000 are fully depreciated in the year of acquisition.

Depreciation on assets sold / disposed is charged till the date of disposal of the assets.



5. Employee Benefits

Short-term employee benefit obligations are estimated and provided for.

Post employment benefits and other long term employee benefits:

Defined Contribution Plans :

Company's contribution to provident fund and superannuation fund are determined in accordance with the relevant schemes and/or statute and charged to revenue.

Defined Benefit Plans and compensated absences:

Company's liability towards gratuity and compensated absences are actuarially determined at each balance sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in revenue.

6. Taxes on income

Taxes on income comprises of current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable at the rates in force, in respect of taxable income, if any, for the year. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is a reasonable certainty of realization in future.

7. Borrowing Cost

Borrowing cost relating to funds borrowed for acquisition of qualifying assets for the year upto the date the assets are put to use is included in cost.

8. Earnings per share

The earnings considered in ascertaining the Company's Earning Per Share (EPS) comprise of the net profit/(losses) after tax. The number of shares used in computing the basic and diluted EPS is the weighted average number of shares outstanding during the year.

9. Preliminary Expenses

Preliminary Expenses & pre-operative expenses and other indirect expenses not pertaining to construction have been classified as 'Miscellaneous expenditure' and are being amortised over a period of five years from the year of completion of the Project, in accordance with the 'Guidance Note on Treatment of Expenditure during Construction Period' issued by Institute of Chartered Accountants of India.

10. Loans & Advances

Advance Income Tax/TDS represents payment made towards tax liability pending assessments and refunds due. The company's liability towards income tax has been fully paid. Other Advances represents electricity deposit, rent deposit, telephone deposit and advances of like nature.



11. Expenditure during Construction/Work in progress:

Project related expenses have been classified as 'Capital work in progress' under the head fixed assets, which will be transferred to 'fixed assets' upon commissioning of the project.

12. Inventories

Inventories are valued at lower of cost and net realizable value.

Cost is arrived at on the basis of

- (a) In the case of chemicals and stores, at cost on FIFO basis and.
- (b) In the case of treated water, direct cost of production.

13. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate on the date on which the transaction takes place.

14. Provisions

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle an obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on best estimate of amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

15. Impairment

The carrying amounts of fixed assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amounts of an asset exceed its estimated recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

16. Prior Period Items

In pursuant to Accounting Standard AS - 5 " Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies" the company is required to disclose Prior Period Items in its Financial Statements if any item of income or expense arises in the current period as a result of any error or omission in the preparation of financial statements in one or more prior periods.

17. Revenue from sale of water and sewerage treatment are recognized based on meter reading on monthly basis and sale of services is recognized as and when the company satisfies a performance obligation.



18. Provisions and Contingencies

The provision is recognised if as a result of past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits is required to settle the obligation.

Contingent liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation and no reliable estimate is possible. A possible obligation arising from past events, unless the possibility of out flow of resources is remote.

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

19. Prepaid expenses are not considered in respect of transactions of Rupees ten thousand and below and are charged to Profit and Loss statement during the year.



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

Notes on Financial Statements for the year ended 31.03.2021

(All amounts are in Rupees unless otherwise stated)

B NOTES TO ACCOUNTS

1. SHARE CAPITAL

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of Rs.10/- each as follows:

| PARTICULARS | As at 31.03.2021 | | As at 31.03.2020 | |
|--|------------------|----------------|------------------|----------------|
| | No. of shares | Amount | No. of shares | Amount |
| (a) Authorized Capital | | | | |
| Equity shares of ₹10 par value | 60,00,00,000 | 6,00,00,00,000 | 60,00,00,000 | 6,00,00,00,000 |
| (b) Issued, Subscribed and Paid-up Capital | | | | |
| Equity shares of ₹ 10 par value, fully paid up | 60,00,00,000 | 6,00,00,00,000 | 60,00,00,000 | 6,00,00,00,000 |

(c) Rights and preferences attached to equity share:

The Company has issued only one class of Equity shares having a par value of Rs.10/- per share. Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders and in the event of liquidation of the Company, the holders of equity shares at the point in time of liquidation will be entitled to receive remaining assets of the Company, after distribution of all preferential lenders & creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.

(a) Reconciliation of the number of shares outstanding

| PARTICULARS | As at 31.03.2021 | | As at 31.03.2020 | |
|--|------------------|----------------|------------------|----------------|
| | No. of shares | Amount | No. of shares | Amount |
| (a) At the beginning of the year | 60,00,00,000 | 6,00,00,00,000 | 60,00,00,000 | 6,00,00,00,000 |
| (b) Shares issued during the year | - | - | - | - |
| (c) Shares bought back during the year | - | - | - | - |
| (d) Outstanding at the end of the year | 60,00,00,000 | 6,00,00,00,000 | 60,00,00,000 | 6,00,00,00,000 |

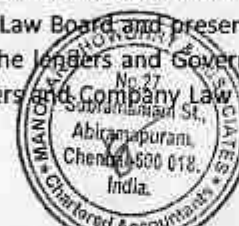
(b) Shares held by Holding Company NIL

(c) Details of Shares held by Shareholders holding more than 5% of aggregate shares

| PARTICULARS | As at 31.03.2021 | | As at 31.03.2020 | |
|---|------------------|--------------|------------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Tamilnadu Water Investment Company Limited | 17,22,94,133 | 28.72% | 172294133 | 28.72% |
| Government of Tamilnadu | 12,37,17,908 | 20.62% | 12,37,17,908 | 20.62% |
| Aidqua Holdings (Mauritius) Inc | 9,00,00,000 | 15% | 9,00,00,000 | 15% |
| Infrastructure Leasing & Financial Services | 8,92,45,454 | 14.87% | 8,92,45,454 | 14.87% |

Note:

3,27,17,908 equity shares were allotted to Government of Tamilnadu during 2012-13 out of the investment made for Rs.35 Crs as per the Corporate Debt Restructuring Scheme approved by the lenders and Company Law Board and presently subjudice before the Honorable Supreme Court of India. 24,45,82,092 equity shares were allotted to the lenders and Government of Tamilnadu during 2011-12 as per the Corporate Debt Restructuring scheme approved by the lenders and Company Law Board and presently subjudice before the Honorable Supreme Court of India.



2. RESERVES & SURPLUS

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|----------------------------|-------------------------|-------------------------|
| Surplus | | |
| (a) Opening Balance | (4,10,84,19,362) | (4,98,84,76,535) |
| (b) Profit during the year | 81,12,64,483 | 88,00,57,173 |
| Closing Balance | (3,29,71,54,879) | (4,10,84,19,362) |

B. NON-CURRENT LIABILITIES: LONG-TERM BORROWINGS

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|--|-----------------------|-----------------------|
| Long term loans | | |
| Term loans from bank - Senior lenders | 1,06,19,01,073 | 1,45,23,35,601 |
| Others - Senior lenders | 99,41,02,195 | 1,27,49,99,592 |
| Sub-Ordinate Debt | 86,50,00,000 | 86,50,00,000 |
| Unsecured Loans - DSRF | 15,00,00,000 | 15,00,00,000 |
| Unsecured Loans from Govt of Tamilnadu | - | 8,00,00,000 |
| Total | 3,07,10,03,268 | 3,82,23,35,193 |

Notes:

1. The Loans obtained by the Company from Banks, Financial Institutions and a Company are secured under the pari-passu security arrangement on a first charge basis on all the assets of the company both present & future, receivables, Project agreements, insurance contract, bank accounts including the trust & retention account, in favour of the Senior Lenders & participants and on a second Charge basis in favour of the Sub-debt providers of the company.

2. The Company has appointed M/s IDBI Bank Limited as Agent and Trustee to act for and on behalf of all the Secured parties, both present and future.

3. As part of the Debt restructuring package sanctioned as on 01.11.2006, Tamil Nadu Water Investment Company Ltd (TWIC), the promoter of the Project has given cash support Guarantee to meet shortfall in debt service. This is a Contingent obligation.

4a. As per the terms of Corporate Debt restructuring scheme entered into by the Company and the lenders, the terms of repayment have been extended and shall begin in April 2013 and end in March 2026 for senior debt and March 2020 for Funded interest term loan. The subdebt shall be payable after all senior lenders and funded interest has been repaid.

4b. FITL I and II loans were foreclosed in earlier years out of operational surplus.

4c. The interest due on senior debt for the period October 2011 to June 2012 has been funded as per the terms of the Corporate Debt restructuring entered into by the Company with the lenders with effect from 1st October 2011.

4d. Interest on subordinate loans from Infrastructure Leasing and Financial services Limited(ILFS) and Tamilnadu Water Investment Company Limited (TWICL) has been converted into a 0.01%(previous year 0.01%) interest bearing loan from 1st October 2011 as per the Corporate Debt restructuring scheme entered into by the Company with the lenders.

4e. Unsecured loan represents the amount of Rs. 15 crores(Previous Year Rs. 15 crores) received from IL & FS towards establishment of Debt Service Reserve Fund as per clause 4.1.17 of the Common Loan Agreement dated 22nd of March 2002. This loan has been converted into a 0.01%(previous year 0.01%) interest bearing loan from 1st October 2011 as per the Corporate Debt restructuring scheme entered into by the Company with the lenders.

4f. Unsecured loan of Rs 8.00 crores from Government of Tamilnadu had been availed at an Interest rate of 11% p.a. The same along with interest/penal interest due has been adjusted against interest on domestic customers in accordance with GO No. 39 dated 30.04.2021.

4. CURRENT LIABILITIES : TRADE PAYABLES

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------------|--------------------|--------------------|
| Sundry Creditors other than MSMEs | 3,60,05,188 | 4,38,39,283 |
| Amounts due to MSMEs | 21,90,358 | |
| Total | 3,81,95,846 | 4,38,39,283 |

Note: The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company



Disclosure requirement as required under Micro, Small & Medium Enterprises Development Act, 2006 is as follows:

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 21,90,358 | - |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for principal payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

5. CURRENT LIABILITIES : OTHER CURRENT LIABILITIES

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| Current maturities of Long term debt | 14,43,27,264 | 12,02,72,724 |
| Share Application Pending Allotment | 2,28,20,920 | 2,28,20,920 |
| Outstanding expenses | 5,02,81,025 | 21,54,53,125 |
| Payroll liabilities | 1,96,589 | 98,521 |
| Interest accrued but not due | 1,60,047 | 7,85,22,378 |
| Advances from customers | 70,98,605 | 2,44,85,111 |
| Security Deposit from customers/contractors | 4,15,83,644 | 4,04,91,061 |
| Statutory deductions payable | 18,10,838 | 21,31,601 |
| Retention amount payable | 11,90,857 | 8,89,713 |
| Total | 26,94,69,789 | 50,51,65,154 |

6. CURRENT LIABILITIES: SHORT-TERM PROVISIONS

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|---------------------------------|------------------|------------------|
| Provision for Employee benefits | 65,63,276 | 99,88,830 |
| Total | 65,63,276 | 99,88,830 |



I. ASSETS**8. NON-CURRENT ASSETS: LONG TERM LOANS & ADVANCES**

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------------|------------------|------------------|
| Security Deposits and other deposits | | |
| Unsecured & Considered good | 8,50,44,837 | 8,07,06,662 |
| Total | 8,50,44,837 | 8,07,06,662 |

9. OTHER NON CURRENT ASSETS

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|----------------|------------------|------------------|
| Fixed Deposits | 21,02,500 | 68,20,000 |
| Total | 21,02,500 | 68,20,000 |



7. PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS | ORIGINAL COST | | | DEPRECIATION | | | NET BOOK VALUE | |
|-----------------------------------|------------------------|------------------|-----------------|-----------------------|---------------------|-----------------|-----------------------|-----------------------|
| | As at | Additions | Deletions | Upto | Additions | Deletions | Upto | WDV as at |
| | 31.03.2020 | During the year | During the year | 31.03.2020 | During the year | During the year | 31.03.2021 | 31.03.2020 |
| Land for Project | 3,73,046 | - | - | - | - | - | - | 3,73,046 |
| Lease Land | 30,72,000 | - | - | 15,41,865 | 1,47,634 | - | 16,89,499 | 13,82,501 |
| Buildings | - | - | - | - | - | - | - | - |
| Factory Buildings | 1,42,89,20,207 | - | - | 63,07,29,087 | 4,67,55,561 | - | 67,74,84,649 | 79,81,91,119 |
| Building - TNEB Substations | 95,61,414 | - | - | 37,42,400 | 3,68,376 | - | 41,10,776 | 54,50,638 |
| Building - Sewerage | 36,48,98,401 | - | - | 14,05,74,790 | 1,42,35,149 | - | 15,48,09,939 | 58,19,014 |
| Plant and Equipments | - | - | - | - | - | - | - | 22,43,23,610 |
| Machineries - Project Assets | 1,25,95,01,943 | - | - | 81,35,66,818 | 3,31,35,142 | - | 84,67,01,960 | 44,59,35,125 |
| Machinery - TNEB Substations | 8,97,25,002 | - | - | 4,10,56,212 | 30,46,709 | - | 4,41,02,921 | 4,86,68,790 |
| Pipelines - Project Assets | 5,56,77,72,490 | 34,18,449 | - | 3,02,12,18,288 | 14,60,21,006 | - | 3,16,72,39,294 | 2,54,65,54,202 |
| Electrical Items - Project Assets | 57,05,69,838 | - | - | 33,13,93,966 | 1,81,48,495 | - | 34,95,42,461 | 23,91,75,872 |
| Data processing Equipments | 7,74,73,005 | - | - | 7,35,99,354 | - | - | 7,35,99,354 | 38,73,651 |
| Machinery - Sewerage | 2,13,53,034 | - | - | 95,50,165 | 7,41,545 | - | 1,02,91,710 | 1,18,02,869 |
| Pipelines - Sewerage | 1,22,04,95,582 | - | - | 54,59,39,769 | 4,23,88,572 | - | 58,83,28,341 | 67,45,55,813 |
| Electrical Items - Sewerage | 11,35,99,043 | - | - | 5,08,10,693 | 39,44,846 | - | 5,47,55,539 | 6,27,88,350 |
| Furnitures and fixtures | 10,62,906 | - | - | 7,56,931 | 27,930 | - | 7,84,861 | 3,05,975 |
| Office equipments | 27,00,167 | 27,500 | - | 21,09,577 | 1,41,042 | - | 22,50,619 | 5,90,590 |
| Computers | 20,96,007 | 3,49,420 | - | 14,73,278 | 3,14,168 | - | 17,87,446 | 6,22,729 |
| Vehicles | 45,44,130 | - | - | 15,53,817 | 4,66,401 | - | 20,20,218 | 29,90,313 |
| TOTAL | 10,73,77,18,214 | 37,95,369 | - | 5,66,96,17,011 | 30,98,82,575 | - | 5,97,94,99,587 | 5,06,81,01,203 |
| Previous Year 19-20 | 10,73,61,40,470 | 28,00,097 | 12,22,345 | 5,36,02,20,303 | 31,05,57,944 | 11,61,228 | 5,66,96,17,019 | 76,71,423 |



10. INVENTORIES

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------|--------------------|--------------------|
| Finished Goods | | |
| Water | 17,79,457 | 19,31,746 |
| Stores and chemicals | 2,64,59,373 | 2,55,38,377 |
| Total | 2,82,38,830 | 2,74,70,123 |

Mode of Valuation: As per Accounting Standard 2, Stock of Water is valued at lower of cost or market value.

Chemicals and stores are valued on cost on FIFO basis.

11. CURRENT ASSETS: TRADE RECEIVABLES

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|--|-----------------------|---------------------|
| Outstanding for a period exceeding six months | | |
| Secured and considered good | 1,00,80,598 | 15,13,16,921 |
| Unsecured and considered good | 51,88,03,429 | 30,60,27,452 |
| Unsecured and considered doubtful | 2,23,79,179 | 2,28,63,374 |
| Less: Provision for doubtful debts | -2,23,79,179 | -2,28,63,374 |
| Sub Total | 52,88,84,027 | 45,73,44,373 |
| Other Trade Receivables | | |
| Secured and considered good | 9,48,66,552 | 8,57,29,899 |
| Unsecured and considered good | 42,27,32,858 | 35,88,60,933 |
| Sub Total | 51,75,00,266 | 44,45,90,832 |
| Total | 1,04,63,84,293 | 90,19,35,205 |

12. CURRENT ASSETS: CASH & CASH EQUIVALENTS

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|------------------------------------|---------------------|---------------------|
| Cash & Cash Equivalents | | |
| (a) Balances with banks | 13,83,349 | 4,32,30,887 |
| (b) Cash on hand | 7,62,160 | 2,07,843 |
| (c) Fixed Deposits with bank | 13,20,61,948 | 7,33,74,828 |
| Total | 13,42,07,456 | 11,68,13,558 |

13. CURRENT ASSETS: SHORT-TERM LOANS & ADVANCES

| PARTICULARS | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------------|--------------------|--------------------|
| Unsecured and considered good | | |
| TDS receivable | 1,22,11,837 | 5,16,04,094 |
| Advances paid to Suppliers | 3,20,073 | 38,76,930 |
| Prepaid expenses | 96,50,651 | 57,70,558 |
| Staff advances | 6,46,668 | 1,83,001 |
| Interest accrued on deposits | 46,53,536 | 53,63,487 |
| Others | 26,02,623 | 47,64,277 |
| Total | 3,00,85,388 | 7,10,62,347 |



14. REVENUE FROM OPERATIONS

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|------------------------------|----------------------------------|----------------------------------|
| Sale of Products | | |
| Sale of water | 1,97,24,78,833 | 1,99,67,14,289 |
| Income from sewage treatment | 6,98,96,772 | 6,09,81,889 |
| Service Income | | |
| Consutancy income | 5,79,37,839 | 6,26,14,189 |
| Total | 2,10,03,13,444 | 2,12,03,10,367 |

15. OTHER INCOME

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|-------------------------------|----------------------------------|----------------------------------|
| Interest on domestic supply | 15,02,55,809 | 12,67,28,237 |
| Interest on industrial supply | 8,00,841 | 5,07,705 |
| Interest on fixed deposits | 79,01,899 | 1,92,63,300 |
| Scrap Sales | 25,07,858 | 3,73,203 |
| Interest on Income Tax Refund | 67,69,686 | - |
| Other Non-Operating Income | 36,89,595 | 12,16,28,079 |
| Total | 17,19,25,687 | 26,85,00,524 |

Note:

Other Non Operating Income of previous year includes Rs. 11.69 crores due to revision in the basis of computation of royalty payable from FY 2011-12 to 2018-19 based on G.O. (Ms) No. 147 dated 03.06.2020

16. COST OF MATERIALS CONSUMED

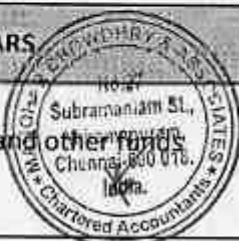
| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|--------------|----------------------------------|----------------------------------|
| Consumables | 62,51,231 | 1,17,12,710 |
| Total | 62,51,231 | 1,17,12,710 |

17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|-------------------------------------|----------------------------------|----------------------------------|
| Closing stock - water | 17,79,457 | 19,31,746 |
| Opening stock - water | 19,31,746 | 18,95,257 |
| Increase/(Decrease) in stock | -1,52,289 | 36,489 |

18. EMPLOYEE BENEFIT EXPENSE

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
| Salaries and allowances | 2,69,43,422 | 2,29,06,630 |
| Contribution to provident fund and other funds | 19,18,988 | 31,58,760 |
| Staff welfare expenses | 7,25,236 | 5,08,424 |
| Total | 2,95,87,646 | 2,65,73,814 |



19. FINANCE COSTS

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|----------------------|----------------------------------|----------------------------------|
| Interest on Loans | 24,56,66,365 | 32,45,45,136 |
| Interest on Subdebts | 1,01,500 | 1,01,500 |
| Interest others | 66,75,885 | 54,41,341 |
| Total | 25,24,43,750 | 33,00,87,977 |

20. OTHER EXPENSES

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|------------------------------------|----------------------------------|----------------------------------|
| Power and Fuel | 46,72,02,450 | 47,84,90,973 |
| Operation and Maintenance expenses | 25,65,48,687 | 22,34,30,553 |
| Royalty | 2,73,92,501 | 2,74,50,000 |
| Rent | 69,55,814 | 66,70,108 |
| Repairs & Maintenance - Factory | 4,79,46,903 | 4,17,25,923 |
| Insurance | 1,12,36,854 | 86,24,204 |
| Legal and Professional fees | 2,29,97,225 | 1,97,14,061 |
| Payment to the auditors | 10,73,800 | 10,85,600 |
| Rates & Taxes | 12,34,934 | 14,26,466 |
| CSR Expenses | 1,05,39,368 | 70,62,616 |
| Repairs and Maintenance | 63,63,893 | 51,30,514 |
| Car hire charges | 40,49,270 | 26,22,177 |
| Miscellaneous expenses | 51,38,167 | 64,24,567 |
| Total | 86,86,79,866 | 82,98,57,762 |

20A. PAYMENT TO AUDITORS (PART OF OTHER EXPENSES)

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|----------------------|----------------------------------|----------------------------------|
| Statutory Audit Fees | 8,85,000 | 8,85,000 |
| Taxation matters | 1,77,000 | 1,77,000 |
| Other Services | 11,800 | 23,600 |
| Total | 10,73,800 | 10,85,600 |



20B. DETAILS OF CSR EXPENDITURE

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
| a) As per Section 135 (5) of the Companies Act, 2013, the CSR obligation is Rs. 105.39 lacs (previous year Rs.48.66 lacs) towards activity as under: | | |
| i) Tamilnadu State Disaster Management Authority for spending on COVID-19 activities | | |
| ii) Construction of swimming pool in Tirupur District | | |
| iii) Promotion of education including Infrastructure Development of Schools | | |
| Gross amount required to be spent by the Company | 1,05,39,368 | 48,66,382 |
| Amount Spent during the year | | |
| i) Tamilnadu State Disaster Management Authority for spending on COVID-19 activities | 50,00,000 | - |
| ii) Construction of swimming pool in Tirupur District | 25,00,000 | - |
| iii) Promotion of education including Infrastructure Development of Schools | 30,39,368 | 48,66,382 |
| Total | 1,05,39,368 | 48,66,382 |

21. PRIOR PERIOD ADJUSTMENT

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
| Reversal of excess provision on Gratuity | 32,91,492 | - |
| Excess interest reversal from lenders | 27,31,216 | - |
| Total | 60,22,708 | - |



22. Unsecured Loan of Rs. 50.00 crores represents the amount received from Tamil Nadu Water Investment Company Limited (TWICL) for the establishment of Debt Service Reserve Fund (DSRF) as per clause 4.1.17 of the Common Loan Agreement dated 22nd March 2002. The amount represents the grant provided by Government of Tamil Nadu vide G.O Ms 64 (MAWS Dept) dated 30th May 2002 to TWICL, the Promoter of the company to be deposited in the Trust and Retention Account for the establishment of DSRF for the Tirupur Water Supply & Sewerage Project. The said unsecured loan provided by TWICL does not bear any interest. The Unsecured Loan is not repayable to TWICL unless and until all the secured obligations of the lenders are satisfied in full, in accordance with clause 7.1.2(iii) of the Common Loan Agreement dated 22nd March 2002.

This amount has been converted into Equity shares as per the CDR approved by the Company Law Board during the year 2011-12. The appeal filed by a shareholder against the Company Law Board's order in the Madras High Court was disposed off by the Madras High Court and the implementation of the Corporate Debt Restructuring package as approved by the lenders and the Company Law Board was recognized. However, status quo has been ordered on the full and final implementation of the CDR, subject to the fulfilment of certain conditions by the Government of Tamil Nadu. The Government of Tamilnadu has informed that the conditions laid down in the Madras High court order dated 31.1.2014 had/have already been complied by them. Further the aggrieved shareholder has filed an appeal against the order of the Madras High Court in the Supreme Court. The appeal has not been disposed off till date by the Supreme Court.

Unsecured loan of Rs 15 crores (Previous Year Rs. 15 crores) represents the amount received from Infrastructure Leasing & Financial Services Limited (IL & FS) as per Clause 4.1.17 of the Common Loan Agreement dated 22nd March 2002. The said Unsecured Loan provided by IL & FS initially carried 11% interest, accrued from the date of receipt and is not repayable unless and until all the secured obligations of the lenders are satisfied in full, in accordance with Clause 7.1.2 (iii) of the Common Loan Agreement dated 22nd March 2002. Consequent to the implementation of Corporate Debt Restructuring (CDR) with effect from 1st Oct 2011 interest on unsecured loan has been reduced to 0.01%.

23. Trade receivables, amounts to Rs. 1,06,88,62,616/- (Previous Year -Rs. 92,47,98,579 /-). Out of the above, Rs. 2,23,79,179/- (Previous Year Rs. 2,28,63,374/-) considered doubtful in nature has been provided for.

24. Contingent Liabilities and Capital Commitments

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
| a. Contingent Liability on the O&M Contract/others | 9,96,21,636 | 9,97,69,377 |
| b. Claims against the Company not acknowledged as debt | 1,81,51,933 | 1,87,02,884 |

| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|-------------------------------|----------------------------------|----------------------------------|
| TNPB Water Cess Claim | 9,56,36,949 | 9,56,36,949 |
| MWUL - pending reconciliation | 39,84,687 | 41,22,128 |
| Total | 9,96,21,636 | 9,97,69,377 |



| PARTICULARS | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|---|----------------------------------|----------------------------------|
| Interest Claim by TWICL | 43,15,603 | 43,15,603 |
| Claim by AIDQUA (without interest) toward the professional fees and incorporation expenses (USD 191004*72.44) | 1,38,36,330 | 1,43,87,281 |
| Total | 1,81,51,933 | 1,87,02,884 |

Claims (as indicated above) and counter claims, relating to the project related contracts, on account of delays and or any other reasons, have not been reflected in these financial statements, pending settlement/ negotiations with the parties concerned.

25. Calculation of Earnings Per Share

| Description | For the Year Ended 31.03.2021 | For the year ended 31.03.2020 |
|--|----------------------------------|----------------------------------|
| Profit after Tax | 81,12,64,483 | 88,00,57,173 |
| Weighted average number of equity shares outstanding | 60,00,00,000 | 60,00,00,000 |
| Basic and diluted earnings per share in Rs. (Face value Rs.10 per share) | 1.35 | 1.47 |

26. Turnover, Opening and Closing Stock of Water

| Particulars | Quantity | Value(Rs.) |
|---------------|---|--|
| Turnover | 60,453 Million Litres (Prev. Yr. 61,109 Million Litres) | Rs. 197,24,78,833/-, (Prev. Yr. Rs. 199,50,26,415/-) |
| Opening Stock | 167.33 Million Litres (Prev. Yr. 162.81 Million Litres) | Rs. 19,31,746/-, (Prev. Yr. Rs. 18,95,257/-) |
| Closing Stock | 150.37 Million Litres (Prev. Yr. 167.33 Million Litres) | Rs. 17,79,457, (Prev. Yr. Rs. 19,31,746/-) |

27. The Company is engaged in supply of water to industrial and domestic customers in Tirupur apart from treatment of sewage. This, in the context of Accounting Standard 17 "Segment Reporting" is considered as the only segment. Hence, reporting under the requirements of the said standard does not arise.

28. The related parties disclosure requirements as per Accounting Standards (AS18) are as follows:

| | |
|---|------------------------------|
| a) | |
| i) Tamilnadu Water and Investment Company Limited – | |
| Related Party | Promotor |
| | Rs. 20,000/- (previous year |
| Interest paid | Rs 20,000) |
| Others – services received | Rs. 0/ (previous year Rs 0/- |



| | |
|---|---|
| Services provided | Rs. 18,61,012/- (previous year Rs 19,01,434) |
| Amount due as on 31.3.21. | Rs. 7,76,236/- (previous year Rs 9,01,433) |
| Loan Amount due as at end of year | Rs. 20,00,00,000/- (previous year Rs 20,00,00,000) |
| ii) Infrastructure Leasing and Financial Services Limited – Related Party | |
| | Shareholder |
| Interest paid | Rs. 7,96,01,132/- (previous year Rs 8,91,62,895) |
| Principal Paid | Rs. 12,22,77,269/- (previous year Rs 7,61,72,724/-) |
| Loan Amount due as at end of year | (previous year Rs 170,70,22,737) |
| iii) AIDQUA Holdings (Mauritius) Inc Related Party | |
| | Rs. NIL (previous year NIL) Shareholder |

b) Key management persons (KMP):

According to Section 203 of the Companies Act 2013, every Company to which these provisions apply shall have the following wholtime KMP's

- i) Managing Director
- ii) Chief Financial Officer
- iii) Company secretary

Resolutions placed at the Board meetings for appointment of Managing Director and Chief Financial Officer could not be passed by the Board as the resolutions were not accepted by a director who exercised his right of veto based on special rights vested on shareholder's nominee on the Board by the Articles of Association.

The Company continues to attempt to comply with the provisions of Section 203 of Companies Act 2013. The remuneration paid to Company Secretary for 2020-21 amounts to Rs 27,68,319/- (Previous year Rs. 24,85,179/).

29. The company is an enterprise engaged in infrastructure development within the meaning of Section 80 IA of the Income Tax Act, 1961 and as such, the company is eligible to claim a deduction of 100% of the profits and gains derived from this business (referred to as tax holiday), at the option of the company, for a period of ten consecutive years out of the first twenty years commencing from the year in which the company begins operations.



30. In Accordance with AS-22 on 'Accounting for taxes on income', the net deferred tax as on 31st March 2021 has been considered as follows:

| Particulars | As at 31st March 2021 (Rs) | As at 31st March 2020 (Rs) |
|---|----------------------------|----------------------------|
| Liabilities | | |
| Difference between book depreciation and tax depreciation | 1,19,53,69,723 | 1,27,23,59,438 |
| | 1,19,53,69,723 | 1,27,23,59,438 |
| Assets | | |
| Unabsorbed Depreciation | 2,24,65,69,551 | 2,24,64,39,089 |
| Disallowances U/s 43B of the Income Tax Act which will be allowed on actual payment | 4,53,375 | 12,53,926 |
| | 2,24,70,22,926 | 2,24,76,93,015 |
| NET DEFERRED TAX (ASSETS)/LIABILITIES | (1,05,16,53,203) | (97,53,33,577) |

31. The Company has carried out an assessment of impairment of individual assets by working out the recoverable amount based on lower of net realizable value and carrying cost during the year in terms of AS -28 "Impairment of assets". The Company has the potential to increase its business volume and hence profitability. Accordingly there is no impairment of assets.

32. The Company has undertaken a Corporate Debt Restructuring (CDR) during the financial year 2011-12 with the approval of the lenders and has implemented the same with effect 1st October 2011. As per the debt restructuring approved by the lenders accrued interest on sub debt and debt service due to ILFS and TWICL till 30th September 2011 has to be waived by these lenders. These have been accepted by the said parties. The CDR was not accepted by a shareholder having special rights and the said shareholder/ his nominee on Board of Directors exercised his right of veto on the same. An appeal against this was filed by the Company before the Company Law Board (CLB) in December 2011 and the CLB approved of the implementation of the CDR vide its order dated 06.03.2012.

The aggrieved shareholder then filed an appeal against the said order in the Madras High Court. The Company and the lenders have implemented the various terms approved by the CDR. The Madras High Court in its order dated 31.01.2014 has confirmed the Company Law Board's order in so far as implementation of the CDR terms are concerned with certain restrictions on the Government of Tamilnadu regarding additional funds to be invested by them in the share capital of the Company. The Government of Tamilnadu had informed that the conditions laid down in the High court order dated 31.1.2014 had/have already been complied with by them.

The contribution to equity share capital due from them has been credited to the PD account of NTADCL with Government of Tamilnadu. This amount shall be retained in the said account till the authorized share capital of the Company is increased Further the aggrieved shareholder has filed an appeal against the Madras High court order in the Supreme Court. The appeal has not yet been disposed off by the supreme court till date.

33. 'Trade Payables' in Note No. 4 includes Rs 21,90,358 (Previous Year-NIL/-) due to small, micro and medium enterprises. No interest was paid during the year to any supplier and no interest was due as at March 31, 2021.

34. Trade receivables, Trade payables balances and loans and advances are subject to confirmation from the respective parties.



35. The Remuneration paid / payable to MD amounting to Rs NIL (previous year NIL) and other key officials of NTADCL amounting to Rs NIL (Previous year Rs NIL) need to be approved by the Remuneration Committee. In the remuneration committee meeting held on 17th November 2011, a shareholder's nominee having a veto right on the Remuneration Committee indicated he is willing to approve the remuneration payable to Mr Surjit K Chaudhary for the period Jan 2010 to Oct 2010 in accordance with the IAS service rules as per the communication dated 08.11.2010 Issued by Government of Tamilnadu on remuneration payable to Managing/wholetime directors. The said communication also indicated that it is applicable only on a prospective basis.

36. The Special Auditor Jankiraman & Co in their Report dated 11th October 2010, has opined that expenses of Rs 10.10 crores, deducted by IL&FS from the loan funds disbursed to the Company is untenable and also an additional amount of Rs. 5.04 crores representing the commitment fee paid to IL&FS stands annulled since the same is not approved. AIDQUA has filed petition CA 32 of 2010 for recovery of the said amount, among other issues, from IL&FS which is challenged by IL&FS and the matter is presently subjudice before Hon'ble CLB (presently NCLT). Based on the outcome of the decision of the Hon'ble Company Law Board (presently NCLT), the Company shall pass the necessary entries in its forthcoming Accounts

Due to recent development in IL&FS internal auditor & Independent auditor had been requested to have a fresh look on the subject and give their reports. They had since submitted their reports in Feb 2019 and recommended lodging a claim on IL&FS regarding non tenable deductions and interest thereon after obtaining legal opinion. As per the legal opinion, the company has filed a Miscellaneous application in the Company Petition No. 3638 of 2018 in the matter of Union of India vs. IL&FS & others before NCLT, Mumbai on 23rd January 2020 with a prayer to set off INR 1162.056 million (which is the amount payable by IL&FS to the company) against INR 1729.07 million (which is the amount payable by the company to IL&FS), pending disposal of the present application.

37. As per the Corporate Debt Restructuring agreed to, the Company has to issue CRPS to the tune of Rs 210 crores in the event of certain events contained in the sanction terms taking place. The Company has sought clarifications from the lenders as to when the same shall have to be issued, since the CDR terms indicate that the same shall have to be issued on certain events taking place. These events have not taken place till date. The issue of CRPS is on hold till the full implementation of CDR.

38. During the year 2012-13, the Company has received a sum of Rs 35.00 crores from the Government of Tamilnadu towards share capital contribution. Out of this amount received, the Company has allotted shares to the extent of Rs 32.72 crores to the Government of Tamilnadu and has retained the excess amount received. The Government of Tamilnadu has filed an application before the Company Law Board (presently NCLT) for increasing the Authorised Capital of the Company for enabling the Company to issue the shares to the Government of Tamilnadu and comply with the terms of the Corporate Debt Restructuring agreed to by the Company with the lenders. The matter is yet to be decided by the Company Law Board (presently NCLT). Pending a decision of the Company Law Board (presently NCLT), the company has retained the said amount and has shown the same under Share Application Money Pending Allotment.



39. The Company reached a settlement with a contractor regarding the amount payable to them as per an Arbitration award given in August 2015 and consequently filed a Memorandum of Settlement in the Madras High Court as the Company had filed an appeal in the High Court earlier. The Madras High court had, vide its order dated 24.03.2017 approved the Memorandum of Settlement and the certified copy of the same was received on 05.05.2017. A shareholder of NTADCL has filed an appeal in the Supreme Court against the settlement, initially approved by the share holder's nominee director, reached by the company with a contractor. The said appellant has also sought to stay the settlement and adoption of accounts by the Company. The Supreme Court had, vide its order dated 01.05.2017, given time to the Company to file response within eight weeks and had directed that if any decision is taken by the AGM, shall be subject to further orders/ directions in the SLP. Subsequent hearings have been adjourned.

40. Basis of Computation of Royalty payable to GoTN had been revised downwards effective from FY 2011-12 onwards vide order G.O. (Ms) No. 147 dated 03.06.2020. Accordingly, a sum of Rs. 11.69 crores had been taken to other income in FY 2019-20



41. Employee Benefits:

The following table sets out the funded/unfunded status of gratuity/leave encashment and the amounts recognized in the financial statements for the year ended 31st March 2021.

41A. Gratuity (Projected Unit Credit Method funded with LIC):

Company's Liability towards gratuity in accordance with the Payment of Gratuity Act, 1972 is determined based on actuarial valuation using the Projected Unit Credit Method as at the reporting date. The company contributes all the ascertained liabilities to Life Insurance Corporation of India which administers the contributions and makes the payment at retirement, death, incapacitation or termination of employment, the details of which are as follows:

| (₹ in Lakhs) | | |
|--|----------|---------|
| TYPE OF PLAN | GRATUITY | |
| PERIOD OF DISCLOSURE | 2020-21 | 2019-20 |
| RECONCILIATION OF OPENING AND CLOSING BALANCES: | | |
| PVO as at the beginning of the period | 35.77 | 26.04 |
| Interest Cost | 0.59 | |
| Current service cost | 8.49 | 3.77 |
| Benefits paid | -0.3 | -0.19 |
| Actuarial loss/(gain) on obligation | 1.97 | 6.15 |
| PVO as at the end of the period | 46.52 | 35.77 |
| EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS | | |
| Current service cost | 0 | 0 |
| Interest Cost | 0 | 0 |
| Expected return on plan assets | 0 | 0 |
| Net actuarial (gain)/loss recognized in the year | 0 | 0 |
| Expenses recognized in the statement of profit and loss | 0 | 20.5 |
| Net Assets (Liability) recognized in the Balance Sheet | | |
| Present value of the obligation | 0 | 0 |
| Fair value of plan assets | 0 | 0 |
| Difference | 0 | 0 |
| Liability recognized in the balance sheet | 0 | 41.41 |
| ASSET/LIABILITY RECOGNIZED IN THE BALANCE SHEET | | |
| Opening net liability | 0 | 0 |
| Expenses as above | 0 | 20.5 |
| Contribution paid | 0 | 0 |
| Closing net liability recognized in Balance Sheet | 0 | 20.5 |
| PRINCIPAL ACTUARIAL ASSUMPTIONS | | |
| [Expressed as weighted averages] | | |
| Discount Rate | 7.25% | 6.60% |
| Salary escalation rate | 7.00% | 6.00% |
| Attrition rate | 1.00% | 1.00% |

41B. Leave Encashment (Non-Funded Plan):

The amount has been considered in financials as per the actuarial valuation as below:

| (₹ in Lakhs) | | |
|--|------------------|---------|
| TYPE OF PLAN | LEAVE ENCASHMENT | |
| PERIOD OF DISCLOSURE | 2020-21 | 2019-20 |
| UNFUNDED | | |
| RECONCILIATION OF OPENING AND CLOSING BALANCES: | | |
| PVO as at the beginning of the period | 54.48 | 35.49 |
| Interest Cost | 3.19 | 2.27 |
| Current service cost | 3.69 | 2.62 |
| Benefits paid | -12.33 | -10.32 |
| Actuarial loss/(gain) on obligation | 11.13 | 24.42 |
| PVO as at the end of the period | 60.16 | 54.40 |



| EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS | | |
|---|--------|--------|
| Current service cost | 3.69 | 2.62 |
| Interest Cost | 3.19 | 2.27 |
| Expected return on plan assets | 0 | 0 |
| Net actuarial (gain)/loss recognized in the year | 11.13 | 24.42 |
| Expenses recognized in the statement of profit and loss | 18.01 | 29.31 |
| Net Assets (Liability) recognized in the Balance Sheet | | |
| Present value of the obligation | 60.16 | 54.48 |
| Fair value of plan assets | 0 | 0 |
| Difference | 60.16 | 54.48 |
| Liability recognized in the balance sheet | 60.16 | 54.48 |
| ASSET/LIABILITY RECOGNIZED IN THE BALANCE SHEET | | |
| Opening net liability | 54.48 | 35.49 |
| Expenses as above | 18.01 | 29.31 |
| Contribution paid | -12.33 | -10.33 |
| Closing net liability recognized in Balance Sheet | 60.16 | 54.47 |
| PRINCIPAL ACTUARIAL ASSUMPTIONS | | |
| (Expressed as weighted averages) | | |
| Discount Rate | 6.96% | 6.60% |
| Salary escalation rate | 6.00% | 6.00% |
| Attrition rate | 1.00% | 1.00% |

42. Fixed Assets are depreciated in line with the provisions of Schedule II to the Companies Act 2013 over their estimated remaining useful life by taking into account the minimum of i) Estimated life of the asset as given in the Companies Act or ii) Estimated useful life of the asset based on technical estimate or iii) Life of the project as indicated in the Concession Agreement.

ASSETS

General Useful Life in years

| | |
|---|-----------|
| i) Lease hold land over the period of lease | 21 |
| ii) Buildings | 30/50/100 |
| iii) Plant and machinery | 25/10 |
| iv) Electricals | 25 |
| v) Data processing equipments | 6 |
| vi) Vehicles | 8/10 |
| vii) Office equipments | 5 |
| viii) Furniture & fittings | 10 |

43. The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Rules and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

44. NTADCL being an essential service activity (water & sewerage treatment) has continued its regular operations without any interruptions / disturbances and continued its routine activities during these periods. As such, there is no substantial impact on the operational volumes or its distribution activities. The lower demand from industry due to COVID has been compensated due to the higher demand from domestic side.

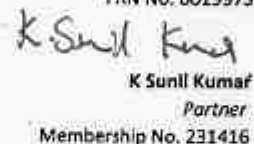
45. Previous year figures have been re-grouped wherever necessary to be in accordance with current year classification.

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

As per our report of even date
For MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants
FRN No: 0019975


Shiv Das Meena
Chairman
DIN-01881010


Chandrakant B Kamble
Managing Director
DIN-02796228


K Sunil Kumar
Partner
Membership No. 231416


S Ramasundaram
Company Secretary
Membership No. FCS3977
Place: CHENNAI
Date: 23-July-2021

