

# **ANNUAL REPORT**

**2021 – 2022**



**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](http://www.ntadcl.co.in) Email: [contactus@ntadcl.com](mailto:contactus@ntadcl.com)

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**BOARD OF DIRECTORS**

<b>Mr Shiv Das Meena, I.A.S.</b>	<b>Chairman</b>
<b>Mr Chandrakant B Kamble, I.A.S.</b>	<b>Managing Director</b>
<b>Mr Prashant M Wadnere, I.A.S.</b>	
<b>Mr L Krishnan</b>	
<b>Dr Malini V Shankar</b>	
<b>Mr Faizal N Syed</b>	
<b>Mr A Sakthivel</b>	
<b>Mr Ananda Ganesan</b> (w.e.f.17.03.2022)	
<b>Mrs K Bhoomalakshmi</b>	
<b>Mr Baiju Mathew</b>	

**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] 1<sup>st</sup> 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 Seventh (27<sup>th</sup>) Annual General Meeting of the shareholders of NEW TIRUPUR AREA DEVELOPMENT CORPORATION LTD** will be held at **Poppy's Hotel Pvt Ltd., #7/27 Avinashi Road, Thirumurganpundi 641 652, Tirupur on Saturday, the 24<sup>th</sup> September 2022 at 12.00 noon (IST) to transact the following business:**

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr Malini V Shankar (DIN 01602529), 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 Baiju Mathew (DIN 05274214), 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** Mr Prashant M Wadnere (DIN03634467) who was appointed as an Additional Director by the Board of Directors on 17<sup>th</sup> December 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 Prashant M Wadnere 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.”

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

**“RESOLVED THAT** Mr R Ananda Ganesan (DIN 09464251) who was appointed as an Additional Director by the Board of Directors on 17<sup>th</sup> March 2022 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 R Ananda Ganesan 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 : 26<sup>th</sup> August 2022**

**SHIV DAS MEENA**  
**CHAIRMAN**

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBERS OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPNAY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Statement under Section 102 of the Companies Act, 2013 (the Act), setting out the material points concerning Item nos.4 and 5 of the Notice, is annexed hereto.
3. Corporate members / Institutional Shareholders (ie., other than individuals / HUF, NRI etc.) intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing their representative to attend and vote at the AGM.
4. 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](mailto:contactus@nadcl.com).
5. **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.**
6. **Appointment / Re-appointment of Directors**  
  
Pursuant to provisions of Secretarial Standard in General Meetings (SS-2), brief resumes of Dr Malini V Shankar and Mr Baiju Mathew (Directors proposed to be re-appointed) and Mr Prashant M Wadnere and Mr R Ananda Ganesan (Directors proposed to be appointed) are given in the statement under Section 102 of the Act, at relevant Item Nos.2, 3, 4 and 5 respectively of the Notice, annexed hereto.
7. Members / Proxies should bring the Admission Slip sent herewith duly filled in for attending the Meeting
8. This Notice also contains a route map of the venue of the AGM

**BY ORDER OF THE BOARD**

Place: Chennai  
Date : 26<sup>th</sup> August 2022

**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 and 5 of the accompanying Notice.

**Item No. 4:**

Mr Prashant M Wadnere was appointed as an Additional Director by the Board of Directors of the Company in their meeting held on 17<sup>th</sup> December 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 Prashant M Wadnere 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, financially or otherwise, in this resolution except Mr Prashant M Wadnere .

**Item No. 5:**

Mr R Ananda Ganesan was appointed as an Additional Director by the Board of Directors of the Company in their meeting held on 17<sup>th</sup> March 2022 to represent State Bank of India 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 R Ananda Ganesan 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, financially or otherwise, in this resolution except Mr R Ananda Ganesan.

**BY ORDER OF THE BOARD**

**Place: Chennai**  
**Date : 26<sup>th</sup> August 2022**

**SHIV DAS MEENA**  
**CHAIRMAN**

ANNEXURE 1

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT  
THE FORTHCOMING ANNUAL GENERAL MEETING  
(Pursuant to Clause 1.2.5 of Secretarial Standard – 2 on General Meetings)**

<b>Name of Director</b>	<b>Mr Prashant M Wadnere</b>	<b>Mr R Ananda Ganesan</b>
Age	38	57
Qualification	B.Sc. (Agri) M.A.(Public Policy, I.A.S.	M. Com, MBA and CAIIB
Experience	Mr Prashant M Wadnere, IAS, belongs to 2008 batch of Indian Administrative Service, has over 14 years of service in various Departments of Government of Tamilnadu. Currently, Mr Prashant M Wadnere, IAS holds the position of Additional Secretary to Government, Finance Department, Government of Tamilnadu	Mr R Ananda Ganesan, General Manager, State Bank of India is presently heading Corporate Clients Group Regional Office (CCGRO), Chennai. He joined the Bank on 30.05.1985 and had played a vital role in both operations and credit side. He had roles in branch operations till 2008 and thereon he had handled corporate credit in various capacities from Chief Manager till he becomes General Manager in Chennai, Hyderabad and Mumbai. Since 08.09.2021 he heads CCGRO Chennai as General Manager.
Terms and conditions of appointment and details of remuneration	Appointment as a Director, liable to retire by rotation and no remuneration	Appointment as a Director, liable to retire by rotation and no remuneration
Remuneration last drawn	Nil	Nil
Date of first appointment on Board	17.12.2021	17.03.2022
Shareholding in Company	Nil	Nil
Relationship with other Directors	Nil	Nil
Number of Meetings of Board attended	2	1

Name of Director	Mr Prashant M Wadnere	Mr R Ananda Ganesan
Directorships in other Companies	Chennai Smart City Ltd Metropolitan Transport Corpn. Tamilnadu Urban Finance and Infrastructure Development Corpn Ltd Tamilnadu Road Development Company Tamilnadu Water Investment Co. Ltd Tamilnadu Infrastructure Development Corpn Tamilnadu Maritime Board Tamilnadu Urban Habitat Development Board Water and Sanitation Pooled Fund Tamilnadu Water Supply & Drainage Board	Nil
Other memberships/ chairmanships of committees of other Boards		Nil



<b>Name of Director</b>	<b>Dr Malini V Shankar</b>	<b>Mr Baiju Mathew</b>
Age	62 yrs	50 yrs
Qualification	B.Sc., M.S., MDM, Ph D., IAS	BE, MMS
Experience	Dr Malini V Shankar was a members of Indian Administrative Service. She was the Director General Shipping, Government of India, on the rank of Secretary to Government of India. She held various posting in Maharashtra.	More than 25 years' experience in Financial Services, Metals, Infrastructure, Oil & Gas
Terms and conditions of appointment and details of remuneration	Re-appointment on the basis of retirement by rotation and no remuneration	Re-appointment on the basis of retirement by rotation and no remuneration
Remuneration last drawn	Nil	Nil
Date of first appointment on Board	26.11.2018	19.03.2021
Shareholding in Company	Nil	Nil
Relationship with other Directors	Nil	Nil
Number of Meetings of Board attended	5	6
Directorships in other Companies	Infrastructure Leasing and Financial Services Limited Tamilnadu Water Investment Co. Ltd IL&FS Township & Urban Assets Ltd IL&FS Tamil Nadu Power Company Ltd 63 moons Technologies Ltd	IL&FS Urban Infrastructure Managers Ltd (IUIML) Tamilnadu Water Investment Company Limited
Other memberships/ chairmanships of committees of other Boards	World Maritime University IL&FS Maritime Infrastructure Company Ltd	

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### BOARD'S REPORT

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of the Company with the audited financial statements and accounts for the year ended 31<sup>st</sup> March, 2022

#### **Financial Results :**

Key highlights of financial performance for the year ended March 31, 2022 are summarized as under:

Particulars	(Rs.in crores)	
	FY 2021-22	FY 2020-21
Review of Operations	226.56	209.90
Other Income	(28.47)	17.22
<b>Total</b>	<b>198.09</b>	<b>227.12</b>
Expenditure	92.20	89.93
Profit/(Loss) before Interest, depreciation and tax (PBIDT)	105.89	137.19
Interest expenses	23.90	32.97
Depreciation	31.53	31.52
Profit/(Loss) before tax (PBT)	50.46	72.70
Prior Period Adjustments	--	--
Provision for Taxation (MAT)	--	--
<b>Profit/[Loss] after tax (PAT)</b>	<b>50.46</b>	<b>72.70</b>
Balance of Profit/[Loss] b/fwd	(338.14)	(410.84)
Surplus[Deficit]carried to balance sheet	(287.68)	(338.14)

#### **Indian Accounting Standards (IND AS):**

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (IND AS) are applicable to certain classes of Companies from April 1, 2016 with a transition date of April 1, 2015. IND AS is applicable to the Company from April 1, 2021 by virtue of having a networth of Rs.250 crore or more. The reconciliations and description of the effect of the transition from previous GAAP to IND AS have been set out in Note 49 in the financial statements. Accordingly, the Company has adopted IND AS from April 1, 2021 and the financial statement for the year ended March 31, 2022 are prepared in accordance with and in compliance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read along with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

### **Dividend:**

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

### **Operations Review:**

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

Post COVID-19 Pandemic and industrial lock down release industrial water off-take was increased 15% and River water abstraction was increased by 2% in 2021-22 compared to the previous financial year. New potential areas and customers are being identified in Kangeyam-Tirupur district and Pollachi coir industry -Coimbatore district. It is expected that the Company shall be able to further increase the industrial revenue by adding new clusters.

The sewage operation is being operated as per the norms of TamilNadu Pollution Control Board (TNPCB). With the sewage network enhancement by Tirupur Corporation under the Amrut Scheme, more residential houses would 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 direction NTADCL and MWUL Staff Booster dosing -vaccination was done as a precautionary measure.

### **Financial Review**

The Revenue from operations of the Company stood at Rs.226.56 crores during the current year as against Rs.209.90 crores during the previous year and your company has made a net profit after tax of Rs.50.46 crores. Out of the Company's revenue of Rs.226.56 crores during the current year, Revenue of Rs. 214.20 crores was from Water business and Rs. 6.67 crores from Sewage Treatment during the current financial year. This is the Seventh 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 31<sup>st</sup> March 2022 are Rs.287.68 crores, which is below 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 six times during the financial year ie. on 9<sup>th</sup> April 2021, 23<sup>rd</sup> June 2021, 23<sup>rd</sup> July 2021, 27<sup>th</sup> August 2021, 17<sup>th</sup> December 2021 and 17<sup>th</sup> March 2022. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

#### **b) Board of Directors and Key Managerial Personnel**

During the year under review,

- i) M/s Tamilnadu Water Investment Company Limited (TWICL) had withdrawn the nomination of Mr S Krishnan, I.A.S. as its nominee Director and had nominated Mr Prashant M Wadnere, I.A.S. as an Additional Director in his place with effect from 17<sup>th</sup> December 2021.
- ii) State Bank of India had withdrawn the nomination of Mr Ramesh Subramaniam, as its Nominee Director and had nominated Mr R Ananda Ganesan in his place with effect from 17<sup>th</sup> March 2022.

The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Mr S Krishnan, I.A.S. and Mr Ramesh Subramaniam during their tenure as members of the Board

- iii) Members' attention is drawn to Item (2) of the Notice for re-appointment of Dr Malini V Shankar as Director of the Company, liable to retire by rotation and Item (3) of the Notice for re-appointment of Mr Baiju Mathew as Director of the Company, liable to retire by rotation.
- iv) Members' attention is drawn to Item (4) of the Notice for the appointment of Mr Prashant M Wadnere, I.A.S. as Director of the Company liable to retire by rotation and Item (5) of the Notice for the appointment of Mr R Ananda Ganesan as Director of the Company liable to retire by rotation.

**Key Managerial Personnel:** Pursuant to the provisions of the Section 203 of the Act, Mr Chandrakant B Kamble, I.A.S., Managing Director is the Key Managerial Personnel of the Company. Mr S Ramasundaram, Company Secretary retired from the services of the Company at the close of business hours on 31.07.2022. The Company is in the process of recruiting a new Company Secretary.

c) **Audit Committee:**

The composition of the Audit Committee is as follows :

1. Mr Faizal N. Syed
2. Ms K Bhoomalakshmi
3. Dr Malini V Shankar
4. Mr R Ananda Ganesan

The Audit Committee met two times during the FY 2021-22 ie. on 22<sup>nd</sup> July 2021 and 17<sup>th</sup> December 2021.

d) **Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration Committee is as follows :

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

The Nomination and Remuneration met three times during the FY 2021-22 ie. on 23<sup>rd</sup> June 2021, 22<sup>nd</sup> July 2021 and 17<sup>th</sup> December 2021.

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

The composition of the Corporate Social Responsibility (CSR) Committee is as follows:

1. Mr Shiv Das Meena
2. Mr Chandrakant B Kamble

The CSR Committee has met one time during the FY 2021-22 ie. on 25<sup>th</sup> March 2022.

**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 spending of 2% of average net profits, made during the three immediately preceding financial years towards CSR spending for the current financial year FY 2021-22 amounting to Rs.1,40,92,250/- in the following activity:

- To contribute Rs.1,40,92,250/- towards construction of sanitary complexes and repairing of night shelters to poor in different locations in Tirupur by Tirupur Municipal Corporation

The entire amount has been spent during the financial year FY 2021-22 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 31<sup>st</sup> March 2022.

**Particulars of Contracts, arrangements made with Related Parties**

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

The details of transactions with related parties during FY 2021-22 are provided in Note no.46 of accompanying financial statements.

**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**

### ***(a) Statutory Auditors***

M/s Manohar Chowdhry & Associates, Chartered Accountants, Chennai (Firm Registration No.001997S) were appointed as the Statutory Auditors of the Company, for a period of 5 years ie. from the conclusion of 25<sup>th</sup> AGM till the conclusion of 30<sup>th</sup> 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 2021-22 is part of Annual Report.

### ***(b) Internal Auditors***

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rules made thereunder, M/s R Bupathy & Co., Chartered Accountants, Chennai were re-appointed as Internal Auditors of the Company for the financial year 2021-22.

### ***(c) Secretarial Auditors***

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board had re-appointed M/s V Suresh Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Auditor's report for the financial year ended 31<sup>st</sup> March 2022 is annexed as **Annexure B** to this Report.

### ***(d) Cost Auditors***

Pursuant to provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, Maintenance of cost records and cost audit is not applicable to the Company

**Response to the Qualification contained in the Auditors Report for the Financial Year 2021-22**

**Statutory Audit**

Under Section 143.(2) of the Companies Act, 2013, the auditor shall make a report to the members of the company on the accounts examined by him and on every financial statements which are required by or under this Act to be laid before the Company in general meeting and the report shall after taking into account the provisions of this Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of this Act or any rules made thereunder or under any order made under sub-section (11) and to the best of his information and knowledge, and said accounts, financial statements give a true and fair view of the state of the company's affairs as at the end of its financial year and profit or loss and cash flow for the year and such other matters as may be prescribed.

(3). The auditor's report shall also state –

- a) Whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
- b) Whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
- c) Whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso too that sub-section and the manner in which he has dealt with it in preparing his report;
- d) Whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
- e) Whether, in his opinion, the financial statements comply with the accounting standards;
- f) The observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
- g) Whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
- h) Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- i) Whether the company has adequate <sup>1</sup>[*internal financial controls with reference of financial statements*] in place and the operating effectiveness of such controls;
- j) Such other matters as may be prescribed.

Such other matters include,

- (a) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;



(b) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

(c) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

The qualifications referred to (1) to (6) of the Statutory Auditor's report dated 26<sup>th</sup> August 2022 pertain to non-compliance with the provisions of Companies Act, 2013, which has no bearing on a true and fair view of the state of the company's affairs as required under Section 143 (1) of the Companies Act, 2013. Further, these matters have also been observed by the Secretarial Auditor in their report.

However, the Company's replies to the comments of Statutory Auditor are furnished as under:

Sl.No.	Comments / observations of the Statutory Auditor	Response of the Company
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 and as per the Articles and Association (AOA), the company shall have Whole-time key Managerial personnel (Managing Director or Chief Executive Officer or Whole Time Director and Chief Financial Officer). However, the company has not complied with these requirement as at 31 <sup>st</sup> March 2022.	In the Board meeting held on 23 <sup>rd</sup> July 2021 and subsequent AGM dated 25.09.2021, appointment of Managing Director had been approved by majority as per Section 203 of the Companies Act, 2013 and Article 150 of the Articles of Association. As per Section 6 of the Companies Act, 2013, "Act" will prevail over the AoA. Giving the precedence of the Act over AoA, the Board has taken decision on appointment of Managing Director. Nominee Director of AIDQUA did not give his consent. The matter has been taken up with NCLT, Chennai by the company as Miscellaneous Application 71 of 2021 in TCP NO.12 of 2016 (earlier CP 18 of 2007) based on the Board and AGM decisions
2	As per Article 120 subject to Articles 119, 122, 125 and 126 of the Articles of Association (AOA) of the company, the board shall be constituted with 14 Directors including two independent directors. However, the company has only 10 directors which is not in compliance with the above said Articles of the AOA as at 31 <sup>st</sup> March 2022.	As per Article 120 of the Articles of Association of NTADCL, the total number of Directors on the Board should be 14 and as per Article 124 of Articles of Association of the Company, the Board shall include 2(two) independent Directors who are not connected with any Shareholder.  When the Companies Act, 2013 came into effect, as per Section 149 (4) of the Companies Act, 2013, read with Rule 4(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, Company needs to have at least two Independent Directors. In order to comply
3	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 paid-up 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 31 <sup>st</sup> March 2022	with sections 135, 177, 178 of the Companies Act, appointment of Independent Directors is essential, who chairs various committees.  From the year 2007, several attempts were made for appointment of Independent Directors but was not accepted by nominee Director of AIDQUA. Appointment of Mr P Shankar, IAS happened in the Board meeting held on 23.10.2007 and Mr P Shankar continued till 12.03.2010.
4	The composition of Audit Committee (Section 177), Nomination remuneration Committee (Section 178) and Corporation 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.	After a gap of five years i.e., in the year 2015, Company had appointed Mr G A Rajkumar and Mrs Latha Ramanathan as Independent Directors in the Board meeting held on 26 <sup>th</sup> June 2015 for a period of two years. Mr G A Rajkumar resigned as an Independent Director with effect from 11 <sup>th</sup> August 2015 and Mrs Latha Ramanathan continued to be an Independent Director in the Board upto 25 <sup>th</sup> September 2017.
5	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 grievance. However, the company has not complied with this requirement as at 31 <sup>st</sup> March 2022	Subsequently, several attempts were made to appoint two more Independent Directors in the Board at various occasions. but it could not materialize. In the year 2016, AIDQUA filed an Interlocutory application No.11/2016 in SLP No.11694 of 2014 (CA 6857 of 2018) before the Supreme Court, and the Hon'ble Supreme Court passed an order mentioning that the ' <i>Interlocutory application No.11 is disposed of as infructuous. In order to avoid further litigation on the same line, we merely observe that the Board while including two independent Directors not connected with any shareholder, shall act as per law keeping in mind the Article of Association and in particular Article 124</i> '.
6	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 31 <sup>st</sup> March 2022	In the Board meetings held on 17.12.2021, 17.03.2022 and 24.06.2022, the Board had taken up appointment of Independent Director seriously and tried to find a consensus to appoint the Independent Directors. Five names from the Board and two names from AIDQUA were suggested. But nominee Director of AIDQUA has not

		<p>given consent of any names suggested by the Board and hence not able to comply appointment of Independent Directors. Since AIDQUA's Nominee Director has been persistently objecting appointment of Independent directors, leading to non-compliance of several provisions of the Act. The Company cannot afford non-compliance of Companies Act with perpetual impunity. The management communicated to the GoTN to write to the Registrar of Companies to declare the nominee Director of AIDQUA as "Officer in default" under Sec 2(60) (vi) of the Companies Act, 2013 for the purpose of compliance u/s 135,149,177, 178 and 203</p> <p>We have also taken legal opinion from the Additional Govt. Pleader and he has also pointed out that formation of the committees such as Audit, Nomination and Remuneration and Corporate Social Responsibility committees mandated by the Companies Act without Independent Directors will be treated as direct and irreconcilable violation of the Companies Act. However, the company will take further course of action for appointment of Independent Directors. We will continue our efforts to appoint Independent Directors for constitution of various committees as prescribed under Sections 135, 149, 177, 178 and 203 of the Companies Act, 2013</p>
7	<p>On the applicability of Goods and Services 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 30<sup>th</sup> 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. Aggrieved by the Order of the AAR, the Company has filed a Writ</p>	<p>On the applicability of Goods and Service Tax (GST) on ancillary services as per the ruling of Appellate Authority for Advance Ruling, the Company has filed 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.</p>

	<p>Petition on 1<sup>st</sup> October 2021 before the Hon'ble High Court of Madras and the same is reserved for order as at 31<sup>st</sup> March 2022. Pending disposal of the same, the Company has neither provided for the liability in the books of account nor disclosed as contingent liability. The management is yet to quantify the GST liability on ancillary services and the same may have impact on the profits of the company for the year.</p>	
8	<p>During the year, the Company has reversed a sum of Rs.53.88 crore representing interest income recognized for the period from June 2006 to December 2021. In this regard, the Company has placed a resolution in the Board meeting held on 26<sup>th</sup> August, 2022 and same was approved by all the directors, except by a nominee director of the shareholder vested with veto power to accord approval for such transactions by virtue of Article 197(m) of AOA of the Company. Accordingly, in our opinion, this interest reversal lacks requisite approval.</p>	<p>The GoTN was instrumental in setting up this project and continue to support the company by infusion of additional fund of Rs.150 crore, enhanced prices for domestic customers, local bodies with an annual commitment of over Rs.50 crore. Local body is also a "state" under Article 12 (3) of the Constitution of India.</p> <p>On the one hand, NTADCL is paying 12% simple interest for delayed payment of royalty on water drawn to GoTN and on the other hand, NTADCL charges 20% interest compounded quarterly (which effectively works out to 22%) to TCMC, which is also another entity of the Government. That is also a "state" under Article 12 (3) of the Constitution of India.</p> <p>The issue of asymmetric and discriminating interest was discussed in detail in the Board meetings dated 17.12.2021, 17.03.2022, 24.06.2022 and 26.08.2022. Based on the Board discussion, a committee had been constituted with the members of the senior officials from the Directorate of Municipal Administration, Tirupur City Municipal Corporation, Tamilnadu Urban Infrastructure Development Corporation and New Tirupur Area Development Corporation Ltd to discuss asymmetric interest rate with reference to Concession Agreement, estimate the liabilities and recommend suitable course of action</p> <p>The committee after detailed deliberation, taking into account the cost of capital of</p>

NTADCL and the terms of the Concession agreement, recommended to remove the anomalies based on parental contractual documents i.e., Concession Agreement. The provisions of the Concession Agreement will have primacy. Based on the cost of capital, excess interest charged to TCMC were calculated and arrived at Rs.54.82 crore. Further, the Board in its meeting held on 24.06.2022 had directed to charge 0.5% over and above the cost capital. The revised calculation worked out of Rs.53.88 crore was placed before the Board in its meeting held on 26.08.2022. The Board by majority agreed for reversal of interest and passed the resolution.

Regarding veto power pointed out by the Statutory auditor, we wish to clarify that it is a contractual issue, there are difference between the two agreements (Concession Agreement and BWSA), issues related to enforceability, legality etc. under the Indian Contract Act. 1872.

In the past, the prices for the local bodies had been increased from Rs.5.00 per KL to Rs.7.50 per KL and Rs.3.5 per KL to Rs.5.35 per KL without following due procedure like approval by Independent Auditor, Price Review Committee etc. There are lot of legal entanglement in the contractual issues. AIDQUA nominee director did not given his consent based on his selective interpretation and understanding of veto power, which is not legally maintainable.

## Secretarial Audit

The Company's replies to the comments of Secretarial Auditor are furnished as under:

Sl.No.	Comments / observations of the Secretarial Auditor	Response of the Company
1	The Company has not appointed a Chief Financial Officer as required under Section 203 of the Companies Act, 2013	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
2	The Company has appointed a Managing Director (KMP) belatedly. This appointment is an AIDQUA Reserved matters under the Articles of Association which requires their approval. But the same has not been accorded by them so far	In the Board meeting held on 23 <sup>rd</sup> July 2021 and subsequent AGM dated 25.09.2021, appointment of Managing Director had been approved by majority as per Section 203 of the Companies Act, 2013 and Article 150 of the Articles of Association. As per Section 6 of the Companies Act, 2013, "Act" will prevail over the AoA. Giving the precedence of the Act over AoA, the Board has taken decision on appointment of Managing Director. Nominee Director of AIDQUA did not give his consent. The matter has been taken up with NCLT, Chennai by the company as Miscellaneous Application 71 of 2021 in TCP NO.12 of 2016 (earlier CP 18 of 2007) based on the Board and AGM decisions
3	The Company has to appoint two Independent Directors to comply with Section 149 of the Companies Act, 2013	As per Article 120 of the Articles of Association of NTADCL, the total number of Directors on the Board should be 14 and as per Article 124 of Articles of Association of the Company, the Board shall include 2(two) independent Directors who are not connected with any Shareholder.
4	The Company has constituted Audit Committee (Section 177), Nomination Remuneration Committee (Section 178) and Corporate Social Responsibility Committee (Section 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 Vigil Mechanism Policy as required under Section 177 read along with Rule 7 of the Companies (Meetings of Board and its Powers) rules, 2014 and	When the Companies Act, 2013 came into effect, as per Section 149 (4) of the Companies Act, 2013, read with Rule 4(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, Company needs to have at least two Independent Directors. In order to comply with sections 135, 177, 178 of the

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.

Companies Act, appointment of Independent Directors is essential, who chairs various committees.

From the year 2007, several attempts were made for appointment of Independent Directors but was not accepted by nominee Director of AIDQUA. Appointment of Mr P Shankar, IAS happened in the Board meeting held on 23.10.2007 and Mr P Shankar continued till 12.03.2010.

After a gap of five years i.e., in the year 2015, Company had appointed Mr G A Rajkumar and Mrs Latha Ramanathan as Independent Directors in the Board meeting held on 26<sup>th</sup> June 2015 for a period of two years. Mr G A Rajkumar resigned as an Independent Director with effect from 11<sup>th</sup> August 2015 and Mrs Latha Ramanathan continued to be an Independent Director in the Board upto 25<sup>th</sup> September 2017.

Subsequently, several attempts were made to appoint two more Independent Directors in the Board at various occasions, but it could not materialize. In the year 2016, AIDQUA filed an Interlocutory application No.11/2016 in SLP No.11694 of 2014 (CA 6857 of 2018) before the Supreme Court, and the Hon'ble Supreme Court passed an order mentioning that the '*Interlocutory application No.11 is disposed of as infructuous. In order to avoid further litigation on the same line, we merely observe that the Board while including two independent Directors not connected with any shareholder, shall act as per law keeping in mind the Article of Association and in particular Article 124*'.

In the Board meetings held on 17.12.2021, 17.03.2022 and 24.06.2022, the Board had taken up appointment of Independent Director seriously and tried to find a consensus to appoint the Independent Directors. Five names from the Board and two names from AIDQUA were suggested. But nominee Director of AIDQUA has not given consent of any names suggested by the

		<p>Board and hence not able to comply appointment of Independent Directors. Since AIDQUA's Nominee Director has been persistently objecting appointment of Independent directors, leading to non-compliance of several provisions of the Act. The Company cannot afford non-compliance of Companies Act with perpetual impunity. The management communicated to the GoTN to write to Registrar of Companies to declare the nominee Director of AIDQUA as "Officer in default" under Sec 2(60) (vi) of the Companies Act, 2013 for the purpose of compliance u/s 135,149,177, 178 and 203</p> <p>We have also taken legal opinion from the Additional Govt. Pleader and he has also pointed out that formation of the committees such as Audit, Nomination and Remuneration and Corporate Social Responsibility committees mandated by the Companies Act without Independent Directors will be treated as direct and irreconcilable violation of the Companies Act. However, the company will take further course of action for appointment of Independent Directors. We will continue our efforts to appoint Independent Directors for constitution of various committees as prescribed under Sections 135, 149, 177, 178 and 203 of the Companies Act, 2013</p>
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**Secretarial Standards Compliances**

During the year under review, the Company has complied with 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](http://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 Indian Accounting Standards (IND As) had been followed along with proper 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 the Companies (Accounts) Rules, 2014**

The Company's internal financial control with reference to the financial statements are adequate

### **Details regarding frauds reported by Auditors under Section 143 (12)**

During the year under review, there was no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Act.

### **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 : 26<sup>th</sup> August 2022

**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 Clear water pumping station two major pumps capital refurbishment was carried out and efficiency improved, resulting in energy cost savings of about Rs. 6.76 Lakhs / Annum.

In WTP & BPS -Existing 250W sodium Vapors fitting was replaced by energy efficient LED-110W light fixtures and energy cost savings is about Rs.0.83 Lakhs/annum.

In BPS one cooling tower recirculation pump replaced with energy efficient pump. The energy consumption reduced and cost savings of Rs 1.04 lakhs / annum achieved.

In Sewage Treatment Plant and Sewage Pumping Station-4, existing 1250KVA and 630KVA On Load Tap Changer (OLTC) was added to mitigate the voltage issues and energy optimization. The expected energy saving cost is about Rs.1.92 lakhs / annum.

Private power purchased through IEX (Indian Energy Exchange) and energy cost saved was Rs.9.2 lakh in the months of February & March-2022.

**Proposed Action: 2022-23:**

In this FY2022-23, we have planned to take up the below Capex energy improvement programs:

- i. Capital refurbishment of two Booster pumps and one Raw water intake pump
- ii. Replacement of Chlorine booster pumps with Energy efficient pumps
- iii. Phasing out of Conventional light fixtures with LED light fixtures
- iv. Private Power Purchase through IEX to minimize the energy cost.

**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 : 26<sup>th</sup> August 2022

**SHIV DAS MEENA**  
**CHAIRMAN**



Form No. MR-3  
SECRETARIAL AUDIT REPORT  
For the Financial Year 2021-22

[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,

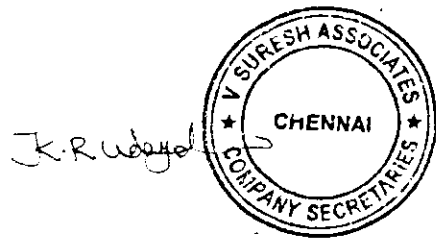
M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

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.

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 31<sup>st</sup> March 2022, 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 31<sup>st</sup> March 2022 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)

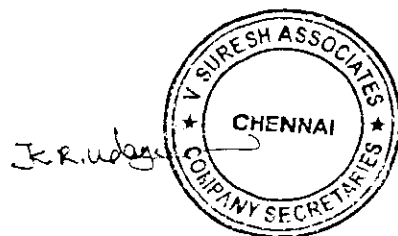


- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following 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.



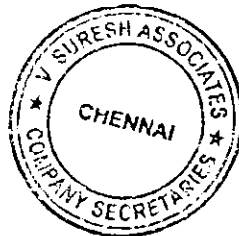
## Observations under the Companies Act, 2013

1. *The Company has not appointed a Chief Financial Officer as required under Section 203 of the Companies Act, 2013.*
2. *The Company has appointed a Managing Director (KMP) belatedly. This appointment is an AIDQUA Reserved Matter under the Articles of Association which requires their approval. But the same has not been accorded by them so far.*
3. *The Company has to appoint two Independent Directors to comply with Section 149 of the Companies Act, 2013.*
4. *The Company has constituted Audit Committee (Section 177), Nomination & Remuneration Committee (Sec 178) and Corporate Social Responsibility Committee (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: 25.08.2022

*K. R. Udaya Kumar*

Udaya Kumar K R  
Partner

FCS No. 11533

C.P.No. 21973

Peer Review Cert. No. : 667/2020

UDIN: F002969D000844821



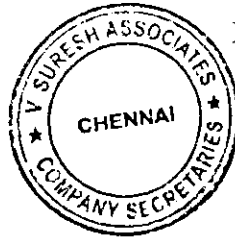
**ANNEXURE TO SECRETARIAL AUDIT REPORT**

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



*J. R. Udaya*

Udaya Kumar K R  
Partner

FCS No. 11533

C.P.No. 21973

Peer Review Cert. No. : 667/2020

UDIN: F002969D000844821

Place: Chennai  
Date: 25.08.2022



**“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 : 26<sup>th</sup> August 2022

**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](http://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	1
2.	Mr Chandrakant B Kamble	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](http://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)

7. (a) Two percent of average net profit of the company as per section 135(5)

Rs.1.41 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.1.41 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	
1.41	NIL	--	--	Nil	--	

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.	Pro-ject dura-tion	Amt allocated for the project (in Rs.)	Amt spent in the cur rent finan- cial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implemen- tation Direct (Yes/No).	Mode of Implemen- tation Through Implementin g Agency
				State	District			Name	CSR Registra- tion number	
NIL										

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project. State District	Amount spent for the project (Rs. in lakhs.)	Mode of implementation Direct (Yes/No).	Mode of implementation – Through implementing agency Name CSR registration number
1.	Construction of Sanitary complexes and repairing of night shelters	(i) (ii)	Yes	Tamil-nadu Tirup-pur	140.92	Yes	-- --
TOTAL					140.92		

(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.1.41 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)	1.41
(ii)	Total amount spent for the Financial Year	1.41
(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**

**Place: Chennai**

**Date: 26<sup>th</sup> August 2022**

# Manohar Chowdhry & Associates

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of NEW TIRUPUR AREA DEVELOPEMENT CORPORATION LIMITED

### Report on the Audit of the Financial Statements

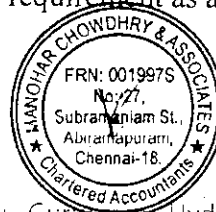
#### Qualified Opinion

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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### 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 and as per the Articles of Association (AOA), the company shall have Whole-time key Managerial personnel (Managing Director or Chief Executive Officer or Whole Time Director and Chief Financial Officer). However, the company has not complied with these requirement as at 31<sup>st</sup> March 2022.
2. As per Article 120 subject to Articles 119, 122, 125 and 126 of the Articles of Association (AOA) of the company, the board shall be constituted with 14 directors including two independent directors. However, the company has only 10 directors which is not in compliance with the above said Articles of the AOA as at 31<sup>st</sup> March 2022.
3. 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 paid-up 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 31<sup>st</sup> March 2022.



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4. 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.
5. 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 31<sup>st</sup> March 2022.
6. 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 31<sup>st</sup> March 2022.
7. 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. Aggrieved by the Order of the AAAR, the Company has filed a Writ Petition on 01<sup>st</sup> October 2021 before the honourable High Court of Madras and the same is reserved for orders as at 31<sup>st</sup> March 2022. Pending disposal of the same, the Company has neither provided for the liability in the books of account nor disclosed as contingent liability. The management is yet to quantify the GST liability on ancillary services and the same may have impact on the profits of the company for the year.
8. During the year, the Company has reversed a sum of Rs. 53.88 Crores representing interest income recognised for the periods from June, 2006 to December, 2021. In this regard, the Company has placed a resolution in the board meeting held on 26th August, 2022 and same was approved by all the directors, except by a nominee director of the shareholder vested with veto power to accord approval for such transactions by virtue of Article 197(m) of AOA of the Company. Accordingly, in our opinion, this interest reversal lacks requisite approval.

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 (The "ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.





**Material Uncertainty related to Going Concern**

We draw attention to Note 35 of 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 litigation where in an unfavourable decision could result in a significant outflow of resources for the company which may cast significant doubt on company's ability to continue as going concern in the future.

Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the Financial Statements:

1. Note No 36 with regard to AIDQUA petition CA No 32 of 2010 for recovery of non tenable deductions from IL & FS and further has filed another claim based on legal opinion obtained regarding non tenable deductions along with interest thereon vide CA No 3638 of 2018 and which is pending as on this date.
2. Note No 38 with regard to share application money received which is pending for allotment. The Government of Tamil Nādu has filed an application before the NCLT for increasing the Authorised Share Capital of the Company for enabling the Company to issue the shares to the Government of Tamil Nādu. The matter is pending before the NCLT. Pending disposal of the same, the company has retained the said amount and has shown the same under Share Application Money Pending Allotment under other current liability.

**Information Other than the Financial Statements and Auditor's Report Thereon**

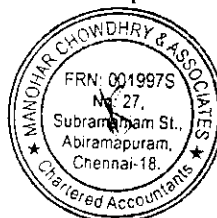
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's report and Responsibility Report, but does not include the financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this Auditor's 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

On receipt of Other Information, 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.



**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

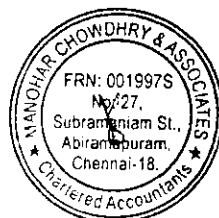
Those Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

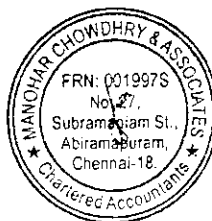
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

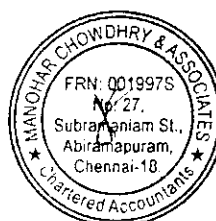
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", 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, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



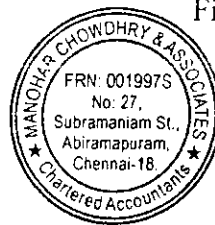
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company
- f. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 (Contingent liabilities) to the financial statements;
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

Place: Chennai  
Date: 26<sup>th</sup> Aug 2022

**For Manohar Chowdhry & Associates**  
Chartered Accountants  
Firm Registration No: 001997S



*K. Sunil Kumar*

**K Sunil Kumar**  
Partner  
Membership No: 231416

UDIN: 22231416 A&PISUR4956

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

With reference to the Annexure A referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).

(i)(a)(B) The Company does not have any intangible assets. Accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(i)(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.

(i)(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(i)(d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) based on valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Accordingly reporting on clause 3(i)(d) of the Order is not applicable to the Company.

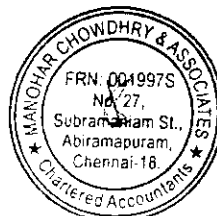
(i)(e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly reporting on clause 3(i)(e) of the Order is not applicable to the Company.

(ii)(a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(ii)(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year. Accordingly, reporting on clause 3(ii)(b) of the Order is not applicable to the company.

(iii)(a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the reporting on clause 3(iii)(a) of the Order is not applicable to the company.

(iii)(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting on clause 3(iii) (b) of the Order is not applicable to the company.



(iii)(c) The company has not granted any loans and advances. Accordingly, reporting on clause 3(iii)(c) of the Order is not applicable to the company.

(iii)(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii)(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting on clause 3(iii)(e) of the Order is not applicable to the Company.

(iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting on clause 3(iii)(f) of the Order is not applicable to the Company.

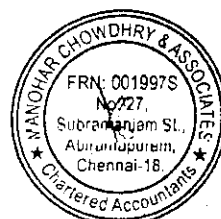
(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loans given, investments made and guarantee provided by the Company are in compliance with the provisions of Section 185 and 186 of the Act read with Ministry of Corporate Affairs notification number G.S.R. 463(E) dated June 5, 2015.

(v) According to the information and explanations provided to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the reporting on clause 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, the reporting on clause 3(vi) of the order is not applicable to the Company.

(vii)(a) According to the information and explanations given to us and based on the examination of the records of the Company,

- undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities; and
- no undisputed amounts payable in respect of Income Tax, Provident Fund, Professional Tax, Goods and Services Tax, Cess were in arrears as at March 31, 2022, for a period of more than six months from the date they became payable except in respect of;



Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Remarks
The Water (Prevention and Control of Pollution) Cess Act, 1977	Water Cess	9,56,36,949	Assessment Year 2005-06 to 2014-15	As and when incurred	Not Paid	No payment has been made as on the date of this report.
Employees' State Insurance Act	Employees' State Insurance	25,931	October 2020 to August 2022	15 <sup>th</sup> of the month following the month	15th April 2022	Paid as on this date of audit report

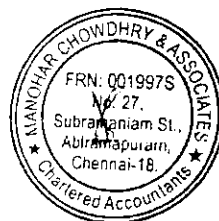
(vii)(b) According to the information and explanations given to us and based on the examination of the records of the Company, no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, except as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which it Relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	67,01,172	AY 2018-19	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the company.

(ix)(a) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix)(b) According to the information and explanations provided to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.





(ix)(c) According to the information and explanations provided to us and based on our examination of the records of the Company, no term loans were raised during the year. Accordingly, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the company.

(ix)(d) According to the information and explanations provided to us and based on an overall examination of the financial statements of the Company, no funds raised on short-term basis during the year. Accordingly, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the company.

(ix)(e) The Company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the order is not applicable to the Company.

(ix)(f) The Company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(f) of the order is not applicable to the Company.

(x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(xi)(b) No report under section 143(12) of the Act has been filed in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

(xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations provided to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



(xiv)(b) The internal audit reports of the Company for the period under the audit have been considered by us.

(xv) In our opinion and according to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a), (b) and (c) of the Order is not applicable to the Company.

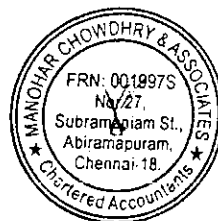
(xvi)(d) There is no Core Investment Company as a part of the Group; accordingly, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting on clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 66 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, though a material uncertainty related to Going Concern of the Company exists as at the Balance Sheet date, as far as it relates Corporate Debt restructuring (CDR) undertaken by the company, which is pending for adjudication before the Hon'ble Supreme court as on the date of this report. A material uncertainty regarding the outcome of litigation where in an unfavourable decision could result in a significant outflow of resources for the company, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of this audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. We also draw reference to the section "Material Uncertainty Related to Going Concern" in our main Audit Report.

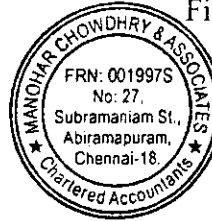
(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the Act, in compliance with second proviso to section 135(5) of the Act. This matter has been disclosed in note 48 to the financial statements.



(xx)(b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance with the provision of section 135(6) of the Act.

Place: Chennai  
Date: 26<sup>th</sup> Aug 2022

For Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Registration No: 001997S



*K. Sunil Kumar*

**K Sunil Kumar**  
Partner

Membership No: 231416

UDIN: 22231416 AQ PEGR4986

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in the Independent Auditor's Report of even date to the members of New Tirupur Area Development on the Financial Statements for the year ended March 31, 2022**

We have audited the internal financial controls over financial reporting of New Tirupur Area Development Corporation Limited ("the Company") as of March 31, 2022 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls 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") issued by the ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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

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

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

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

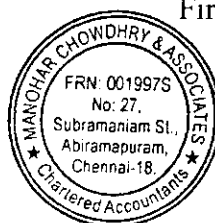
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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: 26<sup>th</sup> Aug 2022

For Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Registration No: 001997S



*K. Sunil Kumar*

**K Sunil Kumar**  
Partner

Membership No: 231416

UDIN: 2223/416 AQ PB UR 49SG

**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

**Balance Sheet as at March 31, 2022**

*(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)*

Particulars	Note	As at	As at	As at
		31-Mar-2022	31-Mar-2021	01-April-2020
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	3	44,510	47,606	50,666
Right of use assets	4	170	225	280
<b>Financial assets</b>				
(i) Loans	5	27	24	22
(ii) Other Financial assets	6	78	21	68
Other Non-Current assets	7	625	843	802
<b>Current Assets</b>				
Inventories	8	324	282	275
<b>Financial Assets</b>				
(i) Trade Receivables	9	11,862	10,505	9,218
(ii) Cash & Cash Equivalents	10	765	1,276	1,145
(iii) Bank balances other than (ii) above	11	18	-	-
(iii) Other Financial Assets	12	118	120	80
Current Tax Asset	13	-	-	264
Other current assets	14	398	450	770
<b>Total assets</b>		<b>59,095</b>	<b>61,352</b>	<b>63,590</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	15	60,000	60,000	60,000
Other Equity	16	(23,989)	(29,035)	(36,305)
<b>Total Equity</b>		<b>36,011</b>	<b>30,965</b>	<b>23,695</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	17	19,059	26,888	33,804
(ia) Lease liability	18	136	191	240
Long-term Provisions	19	44	37	9
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	20	1,443	1,443	1,203
(ia) Lease Liability	21	55	49	40
(ii) Trade Payables	22			
Dues to Micro and Small Enterprises		28	44	43
Dues to Creditors other than Micro and Small Enterprises		281	358	395
(iii) Other Current Financial Liabilities	23	747	429	1,199
Short-term Provisions	24	45	41	63
Other Current Liabilities	25	1,247	928	2,899
<b>Total liabilities</b>		<b>23,085</b>	<b>30,388</b>	<b>39,895</b>
<b>Total Equity and liabilities</b>		<b>59,095</b>	<b>61,352</b>	<b>63,590</b>

Summary of significant accounting policies

1&2

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: 001997S

*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



Place: Chennai  
Date: 26-Aug-2022

**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

**Statement of Profit and Loss for the year ended March 31, 2022**

*(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)*

Particulars	Note	For The Year Ended 31.03.2022	For The Year Ended 31.03.2021
<b>Income</b>			
Revenue From operations	26	22,656	20,990
Other Income	27	(2,847)	1,722
<b>Total Revenue</b>		<b>19,809</b>	<b>22,712</b>
<b>Expenses</b>			
Cost of Materials Consumed	28	8,090	8,053
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	29	1	2
Employee Benefits Expenses	30	372	304
Finance Costs	31	2,390	3,297
Depreciation and Amortisation Expense	3 & 4	3,154	3,152
Other Expenses	32	757	634
<b>Total Expense</b>		<b>14,764</b>	<b>15,442</b>
<b>Profit Before Tax</b>		<b>5,046</b>	<b>7,270</b>
Income Tax Expense			
- Current Tax		-	-
- Deferred Tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>5,046</b>	<b>7,270</b>
<b>Other Comprehensive Income:</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains and (losses) on defined benefit obligations (net)		-	-
Income tax impact		-	-
<b>Other comprehensive profit for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive Income for the year</b>		<b>5,046</b>	<b>7,270</b>
<b>Earnings per share</b>			
- Basic earnings per share		0.84	1.21
- Diluted earnings per share		0.72	1.04

Summary of significant accounting policies 1&2

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

*Shiv Das Meena*

**Shiv Das Meena**  
Chairman  
DIN-01881010

*Chandrakant B Kamble*  
**Chandrakant B Kamble**  
Managing Director  
DIN 02796228

As per our report of even date

**For MANOHAR CHOWDHRY & ASSOCIATES**

Chartered Accountants

FRN No: 001997S

*K Sunil Kumar*

**K Sunil Kumar**  
Partner

Membership No. 231416



Place: Chennai

Date: 26-Aug-2022

NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

Statement of Change in Equity for the year ended 31 March 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Balance at the beginning of the current reporting period	60,000	60,000	60,000
Changes in Equity Share Capital due to prior period adjustments	-	-	-
Changes in equity share capital during the current year	-	-	-
Balance at the end of the current reporting period	60,000	60,000	60,000

B. Other Equity

Particulars	Equity component of compound financial instruments	Reserves and Surplus	Other Comprehensive Income	Total
		Retained Earnings	Remeasurements of the defined benefit obligations	
Balance as at 01.04.2020		(41,084)	-	(41,084)
Changes in on account of accounting policy	-	-	-	-
Prior period adjustments	-	(10)	-	(10)
Financial Guarantee - Premium	397	-	-	397
Optionally Redeemable Convertible DSRF & Sub- Debt into quasi equity shares	4,392	-	-	4,392
Restated balance at the beginning of the current reporting period	4,790	(41,094)	-	(36,305)
Total Comprehensive Income for the current year	-	7,270	-	7,270
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance as at 31.03.2021	4,790	(33,824)	-	(29,035)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	4,790	(33,824)	-	(29,035)
Total Comprehensive Income for the current year	-	5,046	-	5,046
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance as at 31.03.2022	4,790	(28,779)	-	(23,989)

Summary of significant accounting policies

1&2

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

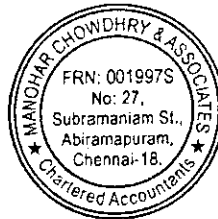
*[Signature]*

v Das Meena  
Chairman  
01881010

*[Signature]*  
Chandrakant B Kamble  
Managing Director  
DIN-02796228

*[Signature]*  
K Sunil Kumar  
Partner

Membership No. 231416



Place: Chennai  
Date: 26-Aug-2022



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

**Cash flow statement for the year ended March 31, 2022**

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2022	As at 31-Mar-2021
<b>A. Cash flow from operating activities</b>			
Profit for the year		5,046	7,270
<b>Adjustments to reconcile net profit to net cash provided by Operating activities:</b>			
Depreciation and amortisation expense		3,154	3,152
Interest Expenses		2,390	3,297
Interest Income		(49)	(79)
<b>Operating profit before working capital changes</b>		<b>10,541</b>	<b>13,640</b>
<b>Movements in working capital :</b>			
Decrease/(Increase) in trade receivables		(1,357)	(1,287)
(Increase)/Decrease in financial assets		(24)	53
Decrease/(Increase) in other assets		49	100
(Increase)/Decrease in inventories		(42)	(7)
Increase/(Decrease) in trade payables		(73)	(57)
Increase/(Decrease) in provisions		11	6
(Decrease)/Increase in other financial liabilities		(26)	(771)
Increase/(Decrease) in other liabilities		319	(1,971)
<b>Cash generated from in operating activities</b>		<b>9,398</b>	<b>9,706</b>
Income taxes received / (paid) (net of refunds)		22	443
<b>Net cash generated from in operating activities</b>	<b>A</b>	<b>9,420</b>	<b>10,149</b>
<b>B. Cash flow from investing activities</b>			
Purchase of PPE and capital work in progress (including capital advances)		(3)	(37)
Interest Income		15	31
Margin Money Deposits		(18)	
<b>Net cash from / (used in) investing activities</b>	<b>B</b>	<b>(6)</b>	<b>(6)</b>
<b>C. Cash flow from financing activities</b>			
Repayment of borrowings		(8,456)	(7,245)
Interest Expenses		(1,419)	(2,726)
Repayment of lease liability		(50)	(40)
<b>Net cash (used in) / from financing activities</b>	<b>C</b>	<b>(9,925)</b>	<b>(10,011)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(511)</b>	<b>131</b>
Cash and cash equivalents at the beginning of the year		1,276	1,145
Cash and cash equivalents at the end of the year		765	1,276
<b>Notes:</b>			
<b>Components of cash and cash equivalents</b>			
Cash Balance		5	7
Bank Balance- Current Account		103	14
Fixed Deposits		657	1,255
<b>Total cash and cash equivalents (Note 11)</b>		<b>765</b>	<b>1,276</b>

Summary of significant accounting policies

1&2

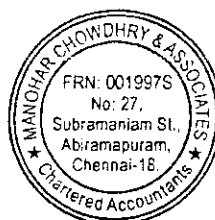
For and on behalf of Board of Directors of  
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

As per our report of even date  
For MANOHAR CHOWDHRY & ASSOCIATES  
Chartered Accountants  
FRN No: 001997S

*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



Place: Chennai

Date: 26-Aug-2022

**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

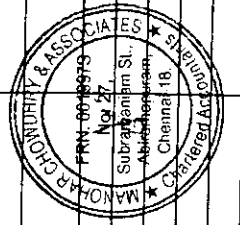
(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

**3. Property, Plant and Equipment**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Carrying Amount of			
Land	4	4	4
Building	9,055	9,669	10,283
Plant and Machinery	35,424	37,900	40,340
Office Equipment	4	5	6
Furniture	3	3	3
Vehicles	20	25	30
<b>Total</b>	<b>44,510</b>	<b>47,606</b>	<b>50,666</b>

**Details of movement in the carrying amounts of Property, plant and equipment :**

Particulars	Land	Building	Plant and Machinery	Office Equipment	Furniture	Vehicles	Total
<b>Cost or Valuation</b>							
As at April 01, 2020	4	10,283	40,340	6	3	30	50,666
Additions	-	-	37	0	-	-	37
Disposals	-	-	-	-	-	-	-
Write off of CWIP	-	-	-	-	-	-	-
Balance as at March 31, 2021	4	10,283	40,377	6	3	30	50,703
Additions	-	-	2	1	-	-	3
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2022	4	10,283	40,379	7	3	30	50,706
<b>Depreciation and Impairment</b>							
As at April 01, 2020	-	-	-	-	-	-	-
Additions	-	614	2,477	1	0	5	3,097
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	614	2,477	1	0	5	3,097
Additions	-	614	2,478	2	0	5	3,099
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	1,228	4,955	3	0	10	6,196
<b>Net Book Value</b>							
Balance as at April 01, 2020	4	10,283	40,340	6	3	30	50,666
Balance as at March 31, 2021	4	9,669	37,900	5	3	25	47,606
Balance as at March 31, 2022	4	9,055	35,424	4	3	20	44,510



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

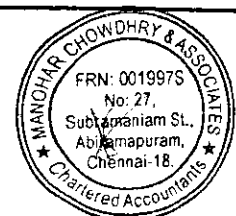
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**4. Right of Use Assets**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Carrying Amount of			
Land	57	63	69
Building	113	162	211
<b>Total</b>	<b>170</b>	<b>225</b>	<b>280</b>

**Details of movement in the carrying amounts of Right of Use Assets :**

Particulars	Land	Building	Total
<b>Gross Carrying Value</b>			
As at April 01, 2020	69	211	280
Additions	-	-	-
Disposals / Adjustments during the Year	-	-	-
Balance as at March 31, 2021	69	211	280
Additions	-	-	-
Disposals / Adjustments during the Year	-	-	-
Balance as at March 31, 2022	69	211	280
<b>Accumulated amortization</b>			
As at April 01, 2020	-	-	-
Additions	6	49	55
Disposals	-	-	-
Balance as at March 31, 2021	6	49	55
Additions	6	49	55
Disposals	-	-	-
Balance as at March 31, 2022	12	98	109
<b>Net Block</b>			
Balance as at April 01, 2020	69	211	280
Balance as at March 31, 2021	63	162	225
Balance as at March 31, 2022	57	113	170



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**5. Non Current Financial Assets - Loans (at Amortised Cost)**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Security Deposit	27	24	22
<b>Total</b>	<b>27</b>	<b>24</b>	<b>22</b>

**6. Other Non Current Financial Assets (at Amortised Cost)**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Bank Deposit with original maturity of more than twelve months	78	21	68
<b>Total</b>	<b>78</b>	<b>21</b>	<b>68</b>

**7. Other Non Current Assets**

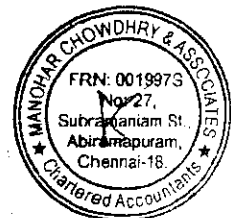
Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Income Tax Refund	20	20	20
Deposits	800	815	772
Prepaid expenses	5	8	10
<b>Total</b>	<b>825</b>	<b>843</b>	<b>802</b>

**8. Inventories**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Merchandise	16	17	19
Stores and chemicals	308	265	256
<b>Total</b>	<b>324</b>	<b>282</b>	<b>275</b>

**9. Trade Receivable**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Trade receivables considered good - Secured	1,010	997	2,569
Trade receivables considered good - Unsecured	10,852	9,508	6,649
Trade receivables which have significant increase in Credit Risk	152	224	229
Trade Receivables - credit impaired	-	-	-
<b>Total</b>	<b>12,014</b>	<b>10,729</b>	<b>9,447</b>
Provision Allowance for Expected Credit Loss	(152)	(224)	(229)
<b>Net Trade receivables</b>	<b>11,862</b>	<b>10,505</b>	<b>9,218</b>



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

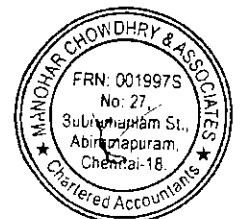
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**Trade receivable ageing schedule for the year ended as on 31st March 2022**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	Total
(i) Undisputed Trade receivables – considered good	1,010	1	-	-	-	1,010
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(2,660)	3,822	5,765	1,233	2,692	10,852
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	152	152
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	(1,651)	3,822	5,765	1,233	2,844	12,013
Less: Allowance for Expected Credit Loss						(152)
<b>Total</b>						<b>11,862</b>

**Trade receivable ageing schedule for the year ended as on 31st March 2021**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	Total
(i) Undisputed Trade receivables – considered good	997	-	-	-	-	997
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2,417	2,685	1,809	821	1,776	9,508
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	224	224
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	3,414	2,685	1,809	821	1,999	10,729
Less: Allowance for Expected Credit Loss						(224)
<b>Total</b>						<b>10,505</b>



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**10. Cash and cash equivalents**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
a) Balance with banks			
(i) current accounts	103	14	433
(ii) deposits (original maturity < 3 months)	657	1,255	710
(b) Cash on hand	5	7	2
<b>Total</b>	<b>765</b>	<b>1,276</b>	<b>1,145</b>

**11. Other Bank Balances**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Other bank balances			
Balance with banks held as Margin money deposit against Gurantee	18	-	-
<b>Total</b>	<b>18</b>	<b>-</b>	<b>-</b>

**12. Other Current Financial Assets (at Amortised Cost)**

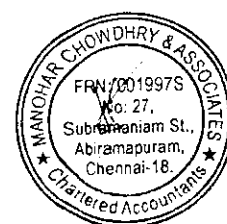
Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Employee advances	6	6	2
Balance with banks (Deposits -original maturity > 3 months )	78	66	24
Interest accrued on fixed deposits with Banks	34	48	54
<b>Total</b>	<b>118</b>	<b>120</b>	<b>80</b>

**13. Current Tax Asset**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Income Tax Refund	-	-	264
<b>Total</b>	<b>-</b>	<b>-</b>	<b>264</b>

**14. Other Current Assets**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Due receivable	132	102	243
Advances paid to Suppliers	50	3	39
Paid expenses	88	99	60
Financial Guarantee - Prepaid	107	220	398
Other Receivables	21	26	30
<b>Total</b>	<b>398</b>	<b>450</b>	<b>770</b>



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**15. Equity Share Capital**

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1st April 2020	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorized</b>						
Equity shares of ₹10 par value	60,00,00,000	60,000	60,00,00,000	60,000	60,00,00,000	60,000
<b>Issued</b>						
Equity shares of ₹10 par value	60,00,00,000	60,000	60,00,00,000	60,000	60,00,00,000	60,000
<b>Subscribed and fully paid</b>	60,00,00,000	60,000	60,00,00,000	60,000	60,00,00,000	60,000

**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.

**Shareholders holding more than 5% of the shares of the Company:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Tamilnadu Water Investment Company Limited	17,22,94,133	28.72%	17,22,94,133	28.72%
Government of Tamilnadu	12,37,17,908	20.62%	12,37,17,908	20.62%
Midqua Holdings (Mauritius) Inc	9,00,00,000	15.00%	9,00,00,000	15.00%
Infrastructure Leasing & Financial Services	8,92,45,454	14.87%	8,92,45,454	14.87%

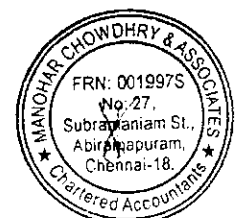
**Shares held by promoters at the end of the year**

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the period
Tamilnadu Water Investment Company Limited	17,22,94,133	0	-

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.

**Other Equity**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Reserve & Surplus			
Opening Balance	(33,824)	(41,094)	(49,895)
Profit during the year	5,046	7,270	8,801
	(28,779)	(33,824)	(41,094)
Liability component of compound financial instruments			
Conditionally Redeemable Convertible DSRF & Sub-Debt into quasi equity shares	4,392	4,392	4,392
Financial Guarantee - Premium	397	397	397
	4,789	4,789	4,789
<b>Total</b>	<b>(23,989)</b>	<b>(29,035)</b>	<b>(36,305)</b>



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**17. Non Current Financial Liability - Borrowings (at Amortised Cost)**

Particulars	As at	As at	As at
	31-Mar-2022	31-Mar-2021	01-April-2020
<b>Secured</b>			
Term Loan - From banks	5,410	10,619	14,496
From others	6,694	9,941	12,750
Secured			
Sub-Ordinate Debt	5,927	5,393	4,907
Secured Loans - DSRF	1,028	935	851
Unsecured Loans from Govt of Tamilnadu	-	-	800
<b>Total</b>	<b>19,059</b>	<b>26,888</b>	<b>33,804</b>

**Notes:**

The Loans obtained by the Company from Banks, Financial Institutions and a Company are secured under the pari-passu security arrangement on first charge basis on all the assets of the company both present & future, receivables, Project agreements, insurance contract, bank accounts including 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.

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.

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.

As per the terms of Corporate Debt restructuring scheme entered into by the Company and the lenders, the terms of repayment have been agreed 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.

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

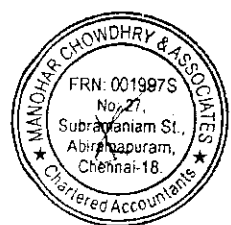
The interest due on senior debt for the period October 2011 to June 2012 has been funded as per the terms of the Corporate Debt restructuring scheme entered into by the Company with the lenders with effect from 1st October 2011.

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.

Secured 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.

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 penal interest due has been adjusted against interest on domestic customers in accordance with GO No. 39 dated 30.04.2021

Unsecured Loan and Sub-ordinate debt repayment would be subjected to the payment of the principal and interest of the senior lenders due as per the terms and conditions of Common loan agreement.





**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**18. Non Current Financial Liability - Lease Liability (at Amortised Cost)**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Non - Current Lease Liability	136	191	240
<b>Total</b>	<b>136</b>	<b>191</b>	<b>240</b>

**19. Long Term Provisions**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Non - Current			
Provision for gratuity	-	-	9
Leave encashment	44	37	-
<b>Total</b>	<b>44</b>	<b>37</b>	<b>9</b>

**20. Current Financial Liability - Borrowings (at Amortised Cost)**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Current Maturities of Long Term Borrowings			
Term Loan - From others	1,443	1,443	1,203
<b>Total</b>	<b>1,443</b>	<b>1,443</b>	<b>1,203</b>

**21. Current Financial Liability - Lease Liability (at Amortised Cost)**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Current Lease Liability	55	49	40
<b>Total</b>	<b>55</b>	<b>49</b>	<b>40</b>

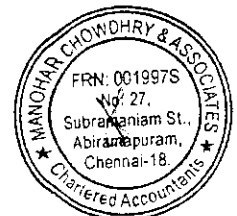
**22. Trade Payables**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Due to Micro and Small Enterprises	28	44	43
Due to Creditors Other Than Micro and Small Enterprises	281	338	395
<b>Total</b>	<b>309</b>	<b>382</b>	<b>438</b>

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-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	28	44	43
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 ready made	-	-	-
Other interest remaining due and payable for earlier years	-	-	-



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**Trade Payable ageing schedule for the year ended as on 31st March 2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	28	-	-	-	28
(ii) Others	259	7	-	16	281
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>286</b>	<b>7</b>	<b>-</b>	<b>16</b>	<b>309</b>

**Trade Payable ageing schedule for the year ended as on 31st March 2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	44	-	-	-	44
(ii) Others	322	-	16	-	338
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>366</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>382</b>

**3. Other Current Financial Liabilities**

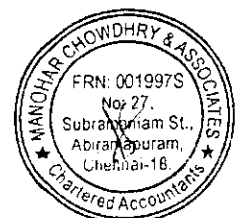
Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Security deposits	399	416	405
Interest accrued and due on borrowings	344	1	785
Retention amount payable	4	12	9
<b>Total</b>	<b>747</b>	<b>429</b>	<b>1,199</b>

**Short Term Provisions**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Provision for Leave Travel Allowance	7	5	4
Defined benefit liability - Leave encashment	34	31	54
Provision For Super Annuation	-	5	5
Provision for Expenses	4	-	-
<b>Total</b>	<b>45</b>	<b>41</b>	<b>63</b>

**Other Current Liabilities**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021	As at 01-April-2020
Share Application Pending Allotment	228	228	228
Advance received from customers	462	176	494
Statutory dues (including interest thereon)	45	20	22
Outstanding expenses	512	504	2,155
<b>Total</b>	<b>1,247</b>	<b>928</b>	<b>2,899</b>



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

26. Revenue from operations

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>Sale of Products</b>		
Sale of water	21,420	19,711
Income from sewage treatment	667	699
<b>Service Income</b>		
Consutancy income	569	580
<b>Total</b>	<b>22,656</b>	<b>20,990</b>

27. Other Income

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Interest on domestic supply *	(3,466)	1,503
Interest on industrial supply	8	8
Interest on fixed deposits	49	79
Interest on Income Tax Refund	6	68
Other Non-Operating Income	556	64
<b>Total</b>	<b>(2,847)</b>	<b>1,722</b>

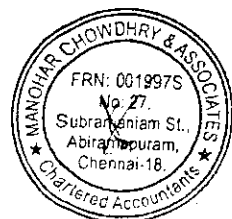
\*Rs. 53,87,99,802/- reversed as excess interest charged for the period from January 2006 To 31.12.2021 on account of differential interest rate from 20% to actual rate of interest 10% to 15.50% from January 2006 To 31.12.2021 as per board of directors meeting dated 26.08.2022

28. Cost of materials consumed

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Consumables	80	63
Power and Fuel	4,782	4,672
Operation and Maintenance expenses	2,550	2,565
Royalty	274	274
Repairs & Maintenance - Factory	404	479
<b>Total</b>	<b>8,090</b>	<b>8,053</b>

29. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the Year Ended 31.03.2022	For the year Ended 31.03.2021
<b>Closing stock</b>		
Water	16	17
	16	17
<b>Opening stock</b>		
Water	17	19
	17	19
<b>Total</b>	<b>(1)</b>	<b>(2)</b>



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

30. Employee benefits expense

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Salaries and wages	335	278
Contribution to provident and other funds	30	20
Staff welfare expenses	7	6
<b>Total</b>	<b>372</b>	<b>304</b>

31. Finance costs

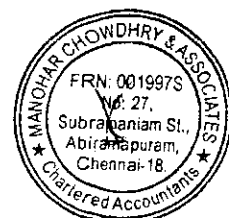
Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Interest on Term loans	1,626	2,457
Interest on Subdebts	628	571
Interest others	1	67
Interest on lease liability	21	25
Financial Guarantee - Expenses	114	177
<b>Total</b>	<b>2,390</b>	<b>3,297</b>

32. Other expenses

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Power and Fuel	7	6
Repairs & Maintenance	81	64
Insurance	129	112
Legal and Professional fees	244	230
Payment to the auditors	11	11
Rates & Taxes	36	17
CSR Expenses	141	105
Car hire charges	44	41
Travelling & Conveyance	17	8
Miscellaneous expenses	48	40
<b>Total</b>	<b>757</b>	<b>634</b>

33. Payment to Auditors

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Statutory Audit fees	9	9
Tax Audit fees	2	2
Other Services	-	0
<b>Total</b>	<b>11</b>	<b>11</b>



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

Notes to the Financial Statements for the Year Ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

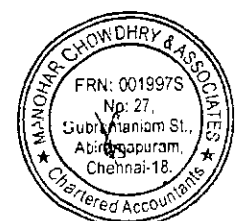
34. Unsecured Loan of Rs. 50.00 crores represents the amount received from Tamil Nadu Water Investment Company Limited (TWICL) for the establishment of Debt Service Reserve Fund (DSRF) as per clause 4.1.17 of the Common Loan Agreement dated 22nd March 2002. The amount represents the grant provided by 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%.

35. 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.



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

**Notes to the Financial Statements for the Year Ended March 31, 2022**

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

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 till date by the supreme Court.

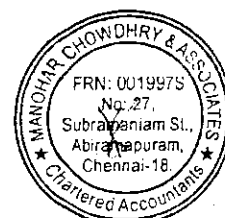
36. The Special Auditor Jankiraman & Co in their Report dated 11th October 2010 , has opined that expenses of Rs 10.10 crores, deducted by IL&FS from the loan funds disbursed to the Company is untenable and also an additional amount of Rs. 5.04 crores representing the commitment fee paid to IL& FS stands 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 Micellaneous 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 1440.45 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 under other current liability.

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.



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the Financial Statements for the Year Ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

40. The Company had sought for Advance Ruling on the applicability of GST, After various written submissions and documents submitted, The department has passed an order dated 26th February 2021. The Company had filed an appeal against the order issued by the department for challenging the entire order, After the scrutiny, Appellate authority has passed an order dated 30th June 2021" Stating the water supplied by NTADCL are not a purified water, it is only a portable water which is eligible for exemption under notification No.2/2017 CT".

In addition to this, Appellate authority has given concurrence to all the other points that are mentioned above by referring the ruling given by the AAR whereby the Income on account of Interest, Cheque bouncing charges, connection / Reconnection charges are taxable.

Consequently, the company had filed the writ petition before the Honorable High court of Madras on the ground that were not sustained by the appellate authority and the same has been accepted via dated 1st october 2021. The status as of the date from the GST council that the case is reserved for orders but the order was yet to be passed, company is awaiting for order.

**41. Turnover, Opening and Closing Stock of Water**

Particulars	Quantity	Value(Rs.)
Turnover	62,127 Million Litres (Prev. Yr.60,453 Million Litres)	Rs.21,419.59 Lakhs, (Prev. Yr. Rs.19,711.32 Lakhs)
Opening Stock	150.37 Million Litres (Prev. Yr.167.33 Million Litres)	Rs. 17.79 Lakhs, (Prev. Yr. Rs.19.32 Lakhs)
Closing Stock	147.77 Million Litres (Prev. Yr.150.37 Million Litres)	Rs.16.32 lakhs, (Prev. Yr. Rs.17.79 Lakhs)

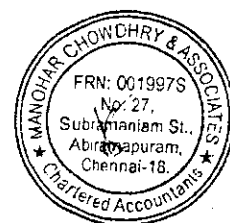
**42. Contingent Liabilities and Capital Commitments**

PARTICULARS	As at 31-Mar-2022	As at 31-Mar-2021
a. Contingent Liability on the O&M Contract/others	1,012	996
b. Claims against the Company not acknowledged as debt	188	182

PARTICULARS	As at 31-Mar-2022	As at 31-Mar-2021
TNPCB Water Cess Claim (upto FY 2014-15)	956	956
MWUL - Pending reconciliation	56	40
<b>Total</b>	<b>1,012</b>	<b>996</b>

PARTICULARS	As at 31-Mar-2022	As at 31-Mar-2021
Interest Claim by TWICL	43	43
Claim by AIDQUA (without interest) toward the professional fees and incorporation expenses (USD 191004*75.91)	145	138
<b>Total</b>	<b>188</b>	<b>182</b>

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.



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the Financial Statements for the Year Ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**43. Earnings Per Share**

Particulars	For the Year Ended 31.03.2022	For the year Ended 31.03.2021
Net Profit after Tax as per statement of Profit and Loss attributable to equity share holders used as numerator in calculating earnings per share [₹ In lakhs]	5,046	7,270
Weighted Average Number of Equity Shares used as denominator in calculating basic earnings per share	60,00,00,000	60,00,00,000
Nominal Value per Equity Share [in ₹]	10	10
Basic Earnings Per Share [in ₹]	0.84	1.21
Net Profit after Tax as per statement of Profit and Loss attributable to equity share holders used as numerator in calculating diluted earnings per share [₹ In lakhs]	5,046.87	7,270.71
Weighted Average Number of Equity Shares used as denominator in calculating diluted earnings per share	70,15,00,000	70,15,00,000
Diluted Earnings Per Share [in ₹]	0.72	1.04

**44. Employee benefits**

**(i) Defined benefit plans:**

The defined benefit plan is administered by the LIC which is named as LIC Group Gratuity Fund ('Fund') that is legally separated from the Group. The board of the fund is required by law to act in the best interest of the plan participants and is responsible for setting certain policies ( e.g. investment, contribution and indexation policies) of the fund. Their defined benefit plans expose the group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market ( investment) risk.

**A. Funding**

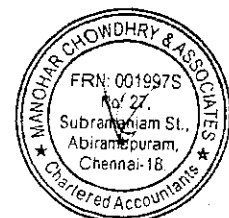
Defined benefit plan is fully funded by the group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose. The Company has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

**B. Movement in net defined benefit ( Asset ) Liabilities**

**Gratuity & Leave Benefit**

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 \* last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 0.20 Crore on superannuation, resignation, termination, disablement or on death considering the provisions of the Payment of Gratuity Act, 1972, as amended. The gratuity scheme is funded by the Company and is managed by separate trust. The liability for gratuity scheme is recognised on the basis of actuarial valuation.

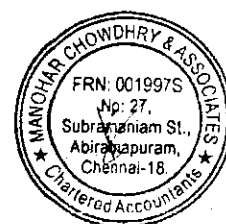
The Company provide for earned leave benefit and half pay leave to the employees of the company, which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves ( HPL) are encashable only on separation. However total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for the same is recognized on the basis of actuarial valuation.





NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

Particulars	Gratuity (Funded)		Leave Encashment (UnFunded)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>				
Projected benefit obligation at the beginning of the year	46	41	68	54
Service cost	6	5	3	2
Interest cost	3	3	3	4
Remeasurement - Acturials (gain)/losses	(0)	(3)	16	20
Benefits paid	(1)	(0)	(13)	(12)
<b>Projected benefit obligation at the end of the year</b>	<b>53</b>	<b>46</b>	<b>78</b>	<b>68</b>
<b>Change in the fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	47	36	0	0
Interest income	3	3	0	0
Employer contributions	7	8	0	0
Benefits paid	(1)	(0)	0	0
Remeasurement Return on plan assets, excluding amount included in interest income	0	(0)	0	0
<b>Fair value of plan assets at the end of the year</b>	<b>56</b>	<b>47</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in the Balance Sheet</b>				
Present value of projected benefit obligation at the end of the year	53	46	78	68
Fair value of plan assets at the end of the year	(56)	(47)	-	-
<b>Net Defined Benefit Liability / (Assets)</b>	<b>(3)</b>	<b>(1)</b>	<b>78</b>	<b>68</b>
<b>Expense recognised in the Statement of Profit and Loss</b>				
Service cost	6	5	3	2
Net Interest cost	(0)	0	3	4
Remeasurement - Acturials (gain)/losses			16	20
Remeasurement Return on plan assets, excluding amount included in interest income			-	-
<b>Net Cost</b>	<b>6</b>	<b>5</b>	<b>23</b>	<b>26</b>
<b>Amount recognised in the Statement of other Comprehensive Income</b>				
Remeasurement - Acturials (gain)/losses	(1)	(3)	-	-
Remeasurement Return on plan assets, excluding amount included in interest income	(0)	0	-	-
<b>Amount Recognised in Other Comprehensive (Income) / Expenses</b>	<b>(1)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the Financial Statements for the Year Ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

Particulars	Gratuity (Funded)		Leave Encashment (UnFunded)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Summary of actuarial assumptions</b>				
Discount rate	6.90%	6.55%	6.90%	6.55%
Weighted Average rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Weighted Average duration of defined benefit obligation	7.51 Years	7.9 Years	2.89 Years	2.92 Years
Withdrawal Rate	1.00%	1.00%	1.00%	1.00%
Leave Encashment rate			10.00%	10.00%
Leave Availment rate			10.00%	10.00%
<b>The expected cash flows over the next few years are as follows:</b>				
Year				
1	12	11	34	31
2	2	1	11	8
3	1	2	8	8
4	10	1	12	6
5	1	8	5	8
6 to 10	29	26	21	17
<b>Remeasurement - Actuarial (gain) /loss arising from</b>				
Change in financial assumptions	(2)	0	(1)	0
Change in demographic assumptions	-	-	-	-
Experience variance	1	(3)	17	20
	(1)	(3)	16	20

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

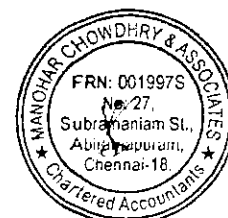
Salary escalation rate: The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

**Sensitivity analysis of significant actuarial assumptions**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

**For Gratuity**

Particulars	31.03.2022		31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%)	55	51	48	44
(% change compared to base due to sensitivity)	3.83%	-3.58%	4.03%	-3.76%
Salary Growth rate (-/+ 0.5%)	51	55	44	48
(% change compared to base due to sensitivity)	-3.62%	3.85%	-3.80%	4.03%



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
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For Leave encashment

Particulars	31.03.2022		31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%) (% change compared to base due to sensitivity)	79 1.28%	77 -1.24%	69 1.30%	67 -1.25%
Salary Growth rate (-/+ 0.5%) (% change compared to base due to sensitivity)	77 -1.25%	79 1.29%	67 -1.26%	69 1.30%

45. In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Company's operations comprise of only one business segment. Hence, there are no reportable segments as per Ind AS 108.

46. Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24

LIST OF RELATED PARTIES:

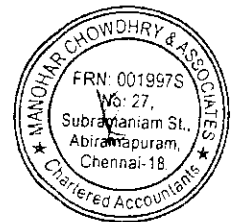
Promoter	Tamilnadu Water and Investment Company Limited
Share Holders	Infrastructure Leasing and Financial Services Limited
Key Management Personnel	Mr. Chandrakant B Kamble Mr.S. Ramasundaram

The details of amount due to related parties as at March 31, 2022 and March 31, 2021

Party	As at 31.03.2022	As at 31.03.2021
Tamilnadu Water and Investment Company Limited	2,010.25	2,007.76
Infrastructure Leasing and Financial Services Limited	14,404.55	15,847.45

The details of Related Party Transaction entered into by the Company for the year ended March 31, 2022 and March 31, 2021

Party	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Interest Paid</b>		
Infrastructure Leasing and Financial Services Limited	669.32	795.95
Tamilnadu Water and Investment Company Limited	0.20	0.20
<b>Services provided</b>		
Tamilnadu Water and Investment Company Limited	19.55	18.61
<b>Remuneration Paid to Key Managerial Personnel</b>		
Mr. Chandrakant B Kamble	26.05	-
Mr.S. Ramasundaram	29.68	27.68



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
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47. Leases

i. As a Lessee

The companies significant leasing arrangements are in respect of various assets are as follows :

Land : The company has taken on lease land for the purpose of supply of water and related infrastructure for providing services to the users in accordance with the terms of the concessional agreement with Government of Tamil Nadu. The lease rental are fixed for entire lease term, which has been arrived based on lease agrment. The lease can be extended as per concessional agreement. The company do not have option to buy.

Buildings : Premises for use of offices and store room on lease are usually renewable on mutually agreeable terms. The lease rental escalated by 15% once in 3 years for 1 property and escalated by 4% each year for 2 properties.

Following are the changes in the carrying value of right of use asset for the year ended 31st March 2022:

Particulars	Land	Building	Total
Balance at 1 April 2021	63	162	225
Additions	-	-	-
Depreciation	(6)	(49)	(55)
Deletions	-	-	-
Balance at 31 March 2022	57	113	170

The Following is the Breakup of Current and Non-Current Lease Liability as at March 31, 2022 and March 31, 2021

Particulars	As at 31.03.2022	As at 31.03.2021
Current Lease Liability	55	49
Non-Current Lease Liability	136	191
Total	191	240

The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 is as follows

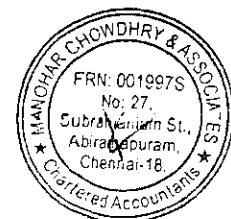
Particulars	As at 31.03.2022	As at 31.03.2021
Opening balance	240	280
Additions	-	-
Deletions	-	-
Finance Cost	21	25
Payment of lease liability	(71)	(65)
Closing Balance	190	240

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021

Particulars	As at 31.03.2022	As at 31.03.2021
Less than one year	10	10
One to five years	49	49
More than five years	43	53

ii. As a Lessor

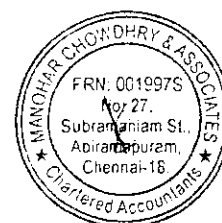
The company has not entered any agreement as on date of this financial year as a lessor. Thus the disclosure requirements of Ind AS 116 as lessor does not arise for the company.



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
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48. Corporate Social Responsibility expenditure

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
(i) Amount required to be spent by the company	140	105
(ii) Amount of expenditure incurred	141	105
(iii) Shortfall at the end of the year	NIL	NIL
(iv) Total of previous years shortfall	NIL	NIL
(v) Reason for shortfall	Not Applicable	Not Applicable
(vi) Nature of CSR Activities	1. Construction of Sanitary Complexes in Tirupur. 2. Repairs and Maintenance of Night shelters	1. Tamilnadu State Disaster Management Authority for spending on COVID-19 activities 2. Construction of swimming pool in Tirupur District. 3. Promotion of education including Infrastructure Development of Schools.
(vii) Details of Related party transactions. Eg. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard	Not Applicable	Not Applicable
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the Financial Statements for the Year Ended March 31, 2022

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**49. First-time adoption of Ind As**

These are the Company's first financial statements prepared in accordance with Ind AS. For periods upto and including the year ended 31 March 2021, the company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'previous GAAP'). Accordingly, the Company has prepared financial statement which comply with Ind AS applicable for periods ending on or after 31 March 2022, together with the comparative period data as at and for the year ended 31 March 2021. This note explains the principal adjustment made by the Company in restating its statement of financial position as at 01 April 2020 and its previously published financial statements as at and for the year ended 31 March 2021 under previous GAAP.

**First time adoption exemptions applied**

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, as set out below:

**Mandatory exceptions adopted by the Company**

**(i) De-recognition of financial assets and liabilities**

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before date of transition under previous GAAP are not recognized on the opening Ind AS Balance Sheet.

**(ii) Estimates**

Hindsight is not used to create or revise estimates. The estimates made by the Company under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

**Optional exemptions available by the Company**

**(i) Property, plant and equipment**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment (including intangible assets). Land and buildings (properties) were carried in the Balance Sheet prepared in accordance with Previous GAAP on the basis of historical cost. The Company has elected to regard those values of property as deemed cost at the date of the transition since they were broadly comparable to fair value. Accordingly, the Company has not revalued the property at 01 April 2020.

**(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has elected to apply this exemption to its financial assets.

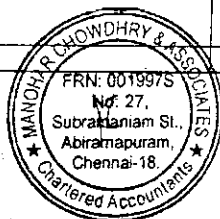
**(iii) Leases**

Para 9 of Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

**First time IND AS Adoption Reconciliation :**

**(i) Effect of Ind AS adoption on the balance sheet as at March 31, 2021 and April 1, 2020**

PARTICULARS	As at 31.03.2021 (End of Last period Presented under Previous GAAP)			As at 01.04.2020 (Date of transition)		
	Previous GAAP	Effect of transition to IND AS	IND AS Balance sheet	Previous GAAP	Effect of transition to IND AS	IND AS Balance sheet
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, Plant and Equipment	47,620	(14)	47,606	50,681	(15)	50,666
Right of use assets	-	225	225	-	280	280
<b>Financial assets</b>						
(i) Loans	35	(11)	24	35	(13)	23
(ii) Other financial assets	21	-	21	68	-	68
Other non-current assets	835	8	843	792	10	802
<b>Current assets</b>						
Inventories	282	-	282	275	-	275
<b>Financial assets</b>						
(i) Trade receivables	10,568	(63)	10,505	9,268	(50)	9,217
(ii) Cash and cash equivalents	1,276	-	1,276	1,145	-	1,145
(iii) Bank balances other than (ii) above	-	-	-	-	-	-
(iii) Other Financial Assets	120	-	120	80	-	80
current tax assets	-	-	-	264	-	264
Other current assets	227	223	450	370	400	770
<b>Total assets</b>	<b>60,984</b>	<b>368</b>	<b>61,352</b>	<b>62,978</b>	<b>612</b>	<b>63,590</b>



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**  
**Notes to the Financial Statements for the Year Ended March 31, 2022**  
 (All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

PARTICULARS	As at 31.03.2021 (End of Last period Presented under Previous GAAP)			As at 01.04.2020 (Date of transition)		
	Previous GAAP	Effect of transition to IND AS	IND AS Balance sheet	Previous GAAP	Effect of transition to IND AS	IND AS Balance sheet
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	60,000	-	60,000	60,000	-	60,000
Other equity	(32,972)	3,937	(29,035)	(41,084)	4,780	(36,305)
<b>Total equity</b>	<b>27,028</b>	<b>3,937</b>	<b>30,965</b>	<b>18,916</b>	<b>4,780</b>	<b>23,695</b>
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
(i) Borrowings	30,710	(3,822)	26,888	38,223	(4,420)	33,804
(ia) Lease liability	-	191	191	-	240	240
Long-term provisions	-	37	37	42	(33)	9
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
(i) Borrowings	1,443	-	1,443	1,203	-	1,203
(ia) Lease liability	-	49	49	-	40	40
(ii) Trade payables						
Outstanding dues of Micro and Small Enterprises	44	-	44	43	-	43
Outstanding dues of Creditors other than Micro and Small Enterprises	338	-	338	395	-	395
(iii) Other current financial liabilities	428	-	428	1,199	-	1,199
Short-term provisions	65	(23)	42	58	5	63
Other current liabilities	928	-	928	2,899	-	2,899
<b>Total liabilities</b>	<b>33,956</b>	<b>(3,569)</b>	<b>30,387</b>	<b>44,062</b>	<b>(4,168)</b>	<b>39,895</b>
<b>Total equity and liabilities</b>	<b>60,984</b>	<b>368</b>	<b>61,352</b>	<b>62,978</b>	<b>612</b>	<b>63,590</b>

**Explanations for Reconciliation of Balance Sheet as previously reported under IGAAP to INDAS**

**Leases**

The Company adopted Ind AS 116, Leases using the modified retrospective method. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.279.63 lakhs, and a lease liability of Rs. 279.63 lakhs. The cumulative effect of applying the standard amounted to NIL in the statement of P&L.

**Loans**

Adjustments reflect change in value due to measurement of fair value at amortised cost as per IND AS 109.

**Other Assets (Current & Non-Current)**

Adjustments include the impact of discounting deposits and prepaid expenses to their present value under IND AS.

**Borrowings**

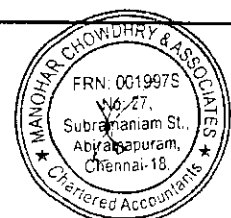
Adjustments reflect change in value due to measurement of fair value at amortised cost as per IND AS 109.

**Provisions**

Adjustments reflect changes due to Actuarial Valuation Report.

**Other Equity**

Adjustments to Retained Earnings have been made in accordance with IND AS. In addition, as per IND AS 19, Employee Benefits, actuarial gains and losses are recognised to Profit and Loss a/c. And also the same is impacted due to depreciation on ROU Assets.



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

Notes to the Financial Statements for the Year Ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

(\*) Effect of Ind AS adoption on the Statement of Profit & Loss for the Year ended 31 March 2021

Particulars	Year ended 31 March 2021 (latest period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Income</b>			
Revenue from operations	21,003	(13)	20,990
Other income	1,720	2	1,722
<b>Total Revenue</b>	<b>22,723</b>	<b>(11)</b>	<b>22,712</b>
<b>Expenses</b>			
Cost of materials consumed	8,053	-	8,053
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2	-	2
Employee benefits expense	296	8	304
Finance costs	2,524	772	3,297
Depreciation and amortisation expense	3,099	53	3,152
Other expenses	696	(62)	634
<b>Total Expense</b>	<b>14,670</b>	<b>772</b>	<b>15,442</b>
<b>Profit for the year before exceptional items</b>	<b>8,053</b>	<b>(783)</b>	<b>7,270</b>
<b>Income Tax Expense</b>			
- Current Tax	-	-	-
- Deferred Tax	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the year</b>	<b>8,053</b>	<b>(783)</b>	<b>7,270</b>
Prior Period Expenses	60	(60)	-
<b>Other Comprehensive Income:</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
remeasurement gains and (losses) on defined benefit obligations (net)	-	-	-
Income tax impact	-	-	-
<b>Other comprehensive profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive Income for the year</b>	<b>8,113</b>	<b>(843)</b>	<b>7,270</b>

**Reconciliations for Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to INDAS**

**Employee Benefit Expenses**

For IND AS 19, Employee Benefits, actuarial gains and losses are recognised to Profit and Loss a/c.

**Finance Cost**

Adjustments reflect change in value due to measurement of fair value at amortised cost.

**Depreciation/Amortisation Expense**

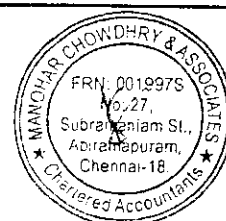
Impact of depreciation on ROU Assets

**Other Expenses**

Adjustments reflect change in value due to measurement of fair value at amortised cost.

**Cash Flow Statement**

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under IND AS.





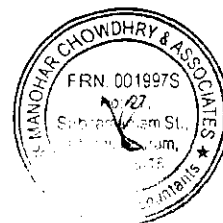
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

(iii) Reconciliation of equity as previously reported under Indian GAAP to Ind AS

Particulars	As at	As at
	31-03-2021	01-04-2020
Total equity (shareholder's funds) as reported under Previous GAAP	27,028	18,916
Adjustments related to		
Equity component of compound financial instruments	4,392	4,392
Equity Component of Financial Guarantee received	397	397
Financial Guarantee Expenses	(177)	-
Income on loans classified at Amortised Cost using Effective Interest Rate	2	-
Re-measurement of defined benefit plans	(8)	-
Prior Period Income & Expense	(84)	(10)
Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost	(595)	-
Depreciation & Amortisation	(53)	-
Others	62	-
Total of adjustments	3,937	4,780
Total equity (shareholder's funds) as reported under Ind AS	30,965	23,695

(iv) Effect of Ind AS adoption on the Statement of Cash Flows for the Year ended 31 March 2021

Particulars	Year ended 31 March 2021 (latest period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from operating activities	10,171	(200)	9,971
Net cash flow from investing activities	41	(47)	(5)
Net cash flow from financing activities	(10,038)	204	(9,834)
Net increase / (decrease) in cash and cash equivalents during the year	174	(43)	131
Cash and cash equivalents at the beginning of the year	1,168	(23)	1,145
Less: Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash and cash equivalent at the end of the year	1,342	(66)	1,276



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

Notes to the Financial Statements for the Year Ended March 31, 2022

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

50. Financial Instruments

a. Financial Instrument by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
<b>Assets</b>					
Loans	27	-	-	27	27
Trade Receivables	11,862	-	-	11,862	11,862
Cash and Cash equivalents	765	-	-	765	765
Other financial assets	197	-	-	197	197
<b>Liabilities</b>					
Borrowings from banks	5,410	-	-	5,410	5,410
Borrowings from others	15,092	-	-	15,092	15,092
Lease Liabilities	191	-	-	191	191
Trade payables	309	-	-	309	309
Other financial liabilities	747	-	-	747	747

The carrying value and fair value of financial instruments by each category as at March 31, 2021 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
<b>Assets</b>					
Loans	24	-	-	24	24
Trade Receivables	10,505	-	-	10,505	10,505
Cash and Cash equivalents	1,276	-	-	1,276	1,276
Other financial assets	141	-	-	141	141
<b>Liabilities</b>					
Borrowings from banks	10,619	-	-	10,619	10,619
Borrowings from others	17,712	-	-	17,712	17,712
Lease Liabilities	240	-	-	240	240
Trade payables	382	-	-	382	382
Other financial liabilities	429	-	-	429	429

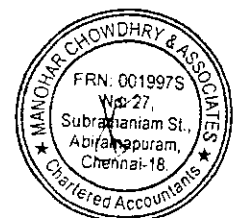
Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2022 and March 31, 2021 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

Particulars	As at 31.03.2022	As at 31.03.2021
Trade receivables	11,862	10,505
Cash and cash equivalents	765	1,276
	12,627	11,780

b. Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

Particulars	For the Year Ended 31.03.2022	For the year ended 31.03.2021
<b>(a) Financial assets at amortised cost</b>		
Interest income on bank deposits	49	79
Interest income on other financial assets	(3,452)	1,578
Income Recovered from Customers	2	5



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the Year Ended 31.03.2022	For the year ended 31.03.2021
(b) Financial assets/liabilities at fair value through profit or loss (FVTPL) Net gains/(losses) on fair valuation of derivative financial instruments	-	-
(c) Financial liabilities at amortised cost		
Interest expenses on lease obligations	21	25
Interest expenses on borrowings from banks, others and overdrafts	2,368	3,271

**51. Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Board of Directors are assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

**Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, treasury operations and other activities that are in the nature of leases.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Credit risk is managed through obtaining bank guarantees, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of the business.

Cash and cash equivalents and other investments

In the area of treasury operations, the Company is presently exposed to counter-party risks relating to short term and medium term deposits placed with public-sector banks. The Chief Financial Officer is responsible for monitoring the counterparty credit risk, and has been vested with the authority to seek Board's approval to hedge such risks in case of need.

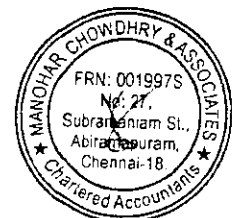
**Exposure to credit risk**

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2021 and March 31, 2021 was as follows:

Particulars	As at 31-03-2022	As at 31-03-2021
Loans	27	24
Trade receivables	11,862	10,505
Cash and cash equivalents	765	1,276
Other financial assets	197	141

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, other assets and other receivables are neither past due nor impaired.



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Company has concluded arrangements with well reputed Banks, and has unused lines of credit that could be drawn upon should there be a need.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at March 31, 2022

Particulars	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
<b>Non-derivative financial liabilities</b>						
Borrowings from banks	5,410	9,082	6,775	2,307	-	-
Borrowings from others	15,092	35,441	10,984	24,457	-	-
Lease Liabilities	191	102	10	29	20	43
Trade payables	309	309	309	-	-	-
Other financial liabilities	747	747	747	-	-	-

As at March 31, 2021

Particulars	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
<b>Non-derivative financial liabilities</b>						
Borrowings from banks	10,619	14,535	5,453	9,082	-	-
Borrowings from others	17,712	40,080	4,639	35,441	-	-
Finance lease liabilities	240	112	10	29	20	53
Trade payables	382	382	382	-	-	-
Other financial liabilities	429	429	429	-	-	-

**Market risk:**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments. The Company is exposed to market risk primarily related to interest rate risk.

**Interest rate risk:**

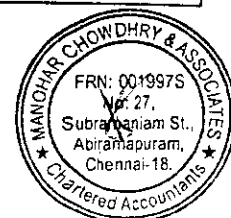
Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
- Fixed deposits with banks	657	1,255
<b>Financial liabilities</b>		
- Borrowings from banks	5,410	10,619
- Borrowings from others	15,092	17,712
<b>Variable rate instruments</b>	-	-

**Fair value sensitivity for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**52. Capital management**

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The total capital as on March 31, 2022 is ₹ 35,718 (Previous Year: 30,745). The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

**Gearing Ratio**

Particulars	As at 31-03-2022	As at 31-03-2021
Debt #	20,693	28,571
Less: Cash and bank balances*	765	1,276
Net debt	19,927	27,295
Total equity*	36,011	30,965
Net debt to total equity ratio	55%	88%

\* excludes earmarked deposits/reserves

# debt does not include amount payable to subsidiaries.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

**53. Deferred tax assets and liabilities**

The tax effects of significant temporary differences that resulted in deferred tax assets and a description of the items that created these differences is given below :

**Recognised deferred tax assets/liabilities**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Deferred tax assets on temporary deductible differences</b>		
Provision for employee benefits	20	18
Unabsorbed Depreciation	19,567	22,396
Provision for Doubtful debts	19,587	22,414
<b>Deferred tax liabilities on temporary taxable differences</b>		
Property, Plant and Equipment	(11,245)	(12,019)
	(11,245)	(12,019)
<b>Net deferred tax Asset / (Liability)</b>	<b>6,342</b>	<b>10,395</b>

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

**55. Borrowings from banks or financial institutions on the basis of security of current assets**

The Company has not obtained any borrowings from Banks or Financial Institution on the basis of current assets.

**56. Willful Defaulter**

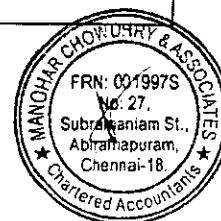
The company has not been declared as a willful defaulter by any bank or financial Institution or any other lenders during the financial year.

**57. Relationship with Struck off Companies**

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**58. Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction of charge that is yet to be registered with ROC beyond the statutory period.



**NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED**

**Notes to the Financial Statements for the Year Ended March 31, 2022**

(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

**59. Compliance with number of layers of subsidiaries**

The Company has no subsidiaries

**60. Details of Benami Property (If any)**

There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami property Transactions Act, 1988 and rules made thereunder.

**61. Undisclosed Income**

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

**62. Details of Crypto Currency or Virtual Currency**

During the financial year the company has not traded or invested in Crypto currency or Virtual Currency.

**63. Loans and Borrowings**

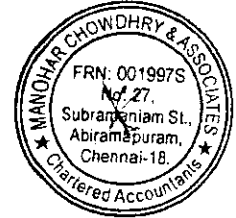
During the year the company has not obtained any borrowings from Banks and Financial Institution

**64. Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties**

The Company has not given any loans or advances in the nature of loans that are repayable on demand or without repayment schedule to the directors

**65. Title deeds of Immovable Properties not held in name of the Company**

The Company does not have any immovable properties whose title deeds are not held in the name of the Company.



NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED  
Notes to the Financial Statements for the Year Ended March 31, 2022  
(All amounts are in of Indian Rupees Lakhs, unless otherwise stated)

66. Ratios

Particulars	Numerator	Denominator	As at 31-Mar-2022	As at 31-Mar-2021	% change	Reason for Change
(a) Current Ratio (in times)	Current Asset	Current Liability	3.51	3.86	-9%	
(b) Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.57	0.92	-38%	Repayment of loans
(c) Debt service coverage ratio (in times)	Earnings available for Debt services	Debt Service	1.07	1.37	-22%	
(d) Return on equity ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	15%	27%	-43%	Due to revision of interest rate on delay payments from the domestic customers
(e) Inventory Turnover ratio (in times)	Cost of good Sold	Average Inventory	0.27	0.23	16%	
(f) Trade receivables turnover ratio (in times)	Net Credit sales	Average Trade Receivable	2.03	2.13	-5%	
(g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payable	23.43	19.64	19%	
(h) Net capital turnover ratio (in times)	Revenue	Working Capital	2.38	2.75	-13%	
(i) Net profit ratio (in %)	Net Profit	Revenue	22%	35%	-36%	Due to revision of interest rate on delay payments from the domestic customers
(j) Return on capital employed (in %)	Earnings before interest and taxes	Capital Employed	13%	18%	-26%	
(k) Return on Investments	Income generated from investment	Time weighted average investment	NA	NA	NA	No investments held for the purpose of earning returns

67. Previous Year Figures

Previous year figures have been regrouped wherever necessary for comparative purposes and shown alongside or in brackets.

Summary of significant accounting policies

1&2

For and on behalf of Board of Directors of

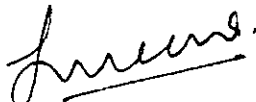
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

As per our report of even date

For MANOHAR CHOWDHRY & ASSOCIATES

Chartered Accountants

FRN No: 001997S



Shiv Das Meena

Chairman

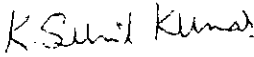
DIN-01881010



Chandrakant B Kamble

Managing Director

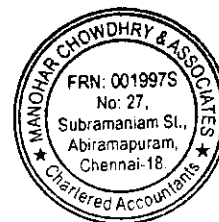
DIN-02796228



K Sunil Kumar

Partner

Membership No. 231416



Place: CHENNAI

Date: 26-Aug-2022

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March 2022**

**1. Company Information**

New Tirupur Area Development Corporation Limited (The Company), (CIN: U91990TZ1995PLC005869) is a Public Limited Company incorporated on February 24, 1995. NTADCL has been granted exclusive right to abstract water from river Cauvery, vide Concession Agreement with Government of Tamil Nadu in February 2000. NTADCL is presently abstracting 185 MLD of water and can increase the capacity to abstract up to 250 MLD. The company also in business of sewerage treatment for Tirupur City Municipal Corporation. The company's registered office is at Tea Building, No 66, Appachi Nagar Main Road, Kongu Nagar, Tirupur, 641607.

**2. Summary of Significant Accounting Policies**

**2.1 Statement of compliance and basis for preparation and presentation of financial statements**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act

The Company's financial statements up to and for the year ended 31<sup>st</sup> March 2021 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) and The Companies (Accounting Standard) Rules, 2006, as amended, under the historical cost convention as a going concern and on accrual basis, unless otherwise stated.

These are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards for transition from Previous GAAP to Ind AS. An explanation on how transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in Note.

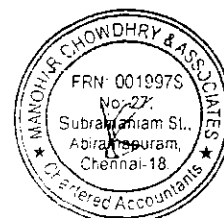
**2.2 Functional and Presentation Currency**

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee, unless otherwise indicated.

**2.3 Basis of Presentation and Measurement**

These standalone financial statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.





Fair value measurements are categorized into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- I. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- II. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- III. Level 3 inputs are unobservable inputs for the asset or liability.

#### **2.4 Use of Estimates and judgements and Estimation uncertainty**

In preparing these financial statements, the management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected prospectively when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

#### **Revenue Recognition**

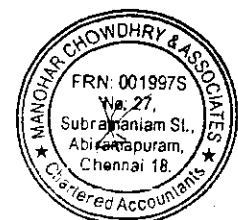
The company Recognize Revenue from sale of water and sewerage treatment are recognised based on meter reading on monthly basis and sale of services is recognised as and when the company satisfies performance obligation.

#### **Provisions and other Contingent Liabilities**

The reliable measure of the estimates and judgements pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Apart from the above, the management uses estimates determining the future obligation with respect to post employment benefits, fair value measurement etc.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



## **2.5 First-time adoption of Ind AS – Mandatory exceptions and optional exemptions**

The Company has prepared the opening balance sheet as per Ind AS as of 1st April 2020 (“the transition date”) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as mentioned below:

### **Deemed cost for Property plant and Equipment and Intangible Assets:**

The Company has elected to measure property, plant and equipment and intangible assets at its previous GAAP carrying amount and use that previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

### **Leases**

The Company has availed the exemption to assess whether an arrangement contains a lease based on facts and circumstances existing on date of transition to Ind AS rather than the date of contract as required under Ind AS 116.

## **2.6 Revenue recognition**

### **a) Sale of Goods and Services**

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

The company has adopted Ind AS 115 “Revenue from contract with customers” for the Service Agreements which are continuing contracts as on 1<sup>st</sup> April 2020. The revenue from such service agreements have been recognised based on the five step model outlined in the standard and the cumulative effect of the transition to Ind AS has been adjusted against the Retained earnings as at 1<sup>st</sup> April 2020.

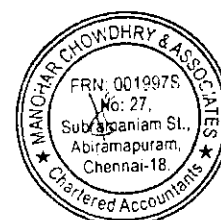
Majority of the present contracts entered into are services wherein the customer receives and consumes the benefits provided by the entity’s performance on a continuous basis, resulting in the performance obligation being satisfied over a period of time

### **Ancillary services**

Revenue from New connection works, Reconnection, Disconnection and permanent disconnection charges are recognised ratably over the period in which services are rendered.

### **b) Interest income**

Interest income, on financial assets subsequently measured at amortized cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) (is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition



### c) Grant Income

Government grants are recognised as revenue in the statement of profit or loss in proportion to the utilization certificates received from the projects for the purposes for which the grants were allocated. Capitalized Government grants represented by either Investments in the form of equity shares or loans and project advances / grants to qualifying companies is retained on historical cost basis.

### d) Advances / Loans to Staff – Ind AS 109.

“Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

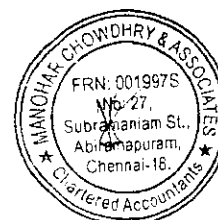
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired financial assets. When an asset becomes credit impaired, the company calculates the interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the company reverts to calculating interest income on a gross basis.”

## 2.7 Property Plant and Equipment (PPE)

a) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.

b) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

c) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.



d) Depreciation is recognised so as to write-off the cost of assets less their residual values as per Straight line method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013,

e) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

f) An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

g) Assets costing Rs.15,000/or less- are fully expensed off in the period of purchase.

The estimated useful lives used for computation of depreciation are as follows:

Particulars	Useful Life
Office Equipments	5
Furniture and Fixtures	10
Motor Vehicles	8/10
Plant and Machinery	25/10
Building	30/50/100
Data Processing Equipments	6

## 2.8 Intangible Assets

a) Intangible assets with finite useful lives that are acquired separately are recognised at cost and subsequently stated at cost less accumulated amortization and impairment. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Amortisation is recognised on a straight-line basis over their estimated useful lives.

b) Expenditure incurred which are eligible for capitalisation under intangible assets is carried as intangible assets under development till they are ready for their intended use.

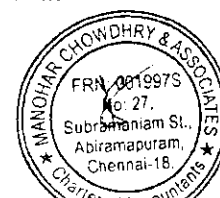
c) The estimated useful life of an identifiable intangible asset is based on a number of factors including license agreements, the effects of obsolescence, demand, competition and other economic factors and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortisation method and useful lives are reviewed periodically including at each financial year end.

d) An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is de-recognised.

## 2.9 Financial Instruments

### **a) Initial Recognition:**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition, except for receivables which are initially measured at



transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added or deducted to the fair value on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities at FVTPL are recognized immediately in the statement of profit and loss.

#### **b) Classification and Subsequent measurement of financial assets**

On initial recognition, a financial asset is classified as measured at

- i. Amortised Cost
- ii. FVTOCI
- iii. FVTPL

The company's business model is assessed on an instrument by instrument basis.

#### **Financial assets at Amortised Cost**

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

#### **Effective Interest rate method:**

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The company while applying EIR method, generally amortises any fees, points paid or received, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

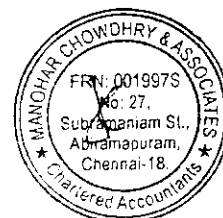
EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain/loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur

#### **Financial assets at FVTOCI**

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and



- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

### **Financial Assets at FVTPL**

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL, with all changes recognised in the Statement of profit or loss.

Financial Assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

### **c) Financial Liabilities and Equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

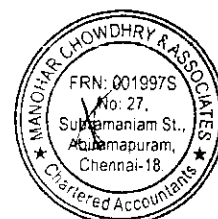
#### **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

#### **Hedging**

The company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges or cash flow hedges or hedges of net investment in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

(a) **Fair Value Hedging:** Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedging risk. Hedge accounting is discontinued when the hedging instrument is expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged items arising from the hedge risk is amortised to profit or loss from that date.



(b) **Cash Flow Hedges:** In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges in recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion, are reclassified to profit or loss in the periods when the hedged items affects profit or loss, in the same head as the hedged items. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion. In case of time period related hedges, the forward element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The change in the fair value of the forward element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The change in the fair value of such forward element or foreign currency basis spread are reclassified to profit or loss as reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

### **Compound Financial Instrument**

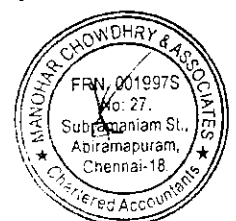
Compound financial instrument issued by the company which can be converted into fixed number of equity shares at the option of the holders irrespective of change in the fair value of the instrument are accounted by separately recognizing the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

### **d) De-recognition**

#### **Financial Assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in Equity, is



recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

#### **Financial Liabilities:**

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid & payable is recognised in Statement of Profit and Loss.

#### **e) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **f) De -recognition of financial instruments**

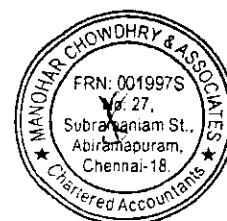
The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery as per the company policy. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

### **2.10 BORROWING COSTS**

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

### **2.11 Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.





## **2.12 Inventory**

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

Cost is arrived on the basis of

(a) In the case of chemicals and stores, at cost on FIFO basis.

(b) In the case of treated water, direct cost of production.

## **2.13 Employee Benefits**

### **a) Short term Employee benefits:**

Short-term employee benefits like salaries and wages are expensed as the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **b) Defined Contribution Plan:**

Company's contribution paid/payable during the year towards provident fund and Pensions are charged in the statement of profit and loss when employees have rendered service entitling them to the contributions.

### **c) Defined Benefit Plan:**

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

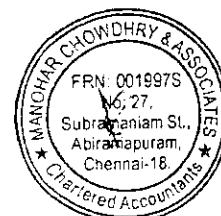
The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of profit and loss

### **Re-measurement gains/losses**

Re-measurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet. (Through Other Comprehensive income)

### **d) Earned / Unearned leave encashment**

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized



leave at each balance sheet date on the basis of projected unit credit method by an independent actuarial valuation.

#### e) Loan to Employees

The company provides loans to employees and interest is charged on the same based on Marginal/Average Cost of Borrowing capital whichever is higher. These are initially recognised at fair value and subsequently measured at amortised cost.

### 2.14 Income Taxes

Income Tax expense comprises of current, Prior and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

#### **Current Tax**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **Prior Tax**

Any short provision of tax of earlier years other than the reporting year is reported here.

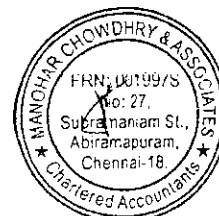
#### **Deferred Tax**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

Additional Income Tax that arises from distribution of dividend is recognized at the same time when the liability to pay dividend is recognized.



## **2.15 Impairment**

### **For Financial Instruments:**

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Ind AS 109 provides that, despite the requirement to provide 12 month ECL for financial assets that do not have a significant increase in credit risk, an entity shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets that do not contain a significant financing component and lease receivables. Hence, the Company recognizes lifetime ECL for trade receivables, lease receivables and other contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

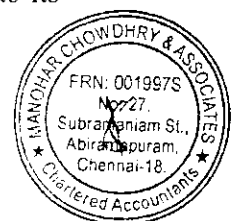
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### **For assets other than financial instruments**

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.



When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

## **2.16 Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Where it is not probable that an outflow of economic benefits is required or amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

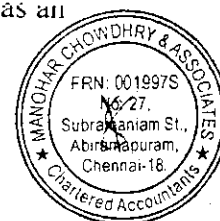
A Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## **2.17 Leases**

### **The company as a Lessee:**

The Company's lease asset class primarily consists of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the lessee has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the lessee has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



If lease arrangements include the options to extend or terminate the lease before the end of the lease term, then ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date using written down value method. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **The Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

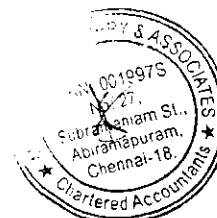
When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### **2.18 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

#### **2.19 Current & Non-Current Classification**



The Company Presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or constructed in normal operating cycle.
- Held Primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

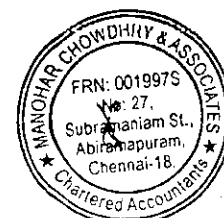
Deferred Tax Assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as operating cycle.

## 2.20 Earnings per share

a. Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

b. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



## 2.21 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.


## 2.22 Material Prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

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

As per our report of even date  
For Manohar Chowdhry & Associates  
Chartered Accountants  
FRN No: 001997S



K Sunil Kumar  
Partner  
Membership No. 231416

Place: Chennai  
Date: 26-Aug-2022



**New Tirupur Area Development Corporation Limited**  
Registered Office: No.66, Appachi Nagar Main Road, Kongu Nagar, Tirupur – 641 607  
Tel: 0421-2486864/2481165 Fax: 0421-2486874  
CIN: U91990TZ1995PLC005869 www.ntadcl.co.in

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**ATTENDANCE SLIP**

**27<sup>th</sup> Annual General Meeting, Saturday, 24<sup>th</sup> day of September 2022 at 12.00 Noon**

Folio/DP & Client No.:.....

No. of Shares

Held:.....

Name: .....

Address:.....

I/We hereby record my / our presence at the 27<sup>th</sup> Annual General Meeting of the Company held at Poppy's Hotel Pvt. Ltd., #7/27, Avinashi Road, Thirumuruganpoondi – 641 652, Tirupur, Tamilnadu at 12.00 noon, on Saturday , the 24<sup>th</sup> day of September 2022.

.....  
Signature of shareholder / proxy

- Note:
1. please fill this attendance slip and hand it over at the entrance of the Hall
  2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
  3. Authorised Representative of Corporate Members shall produce proper authorization issued in their favour.
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**New Tirupur Area Development Corporation Limited**

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

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

CIN: U91990TZ1995PLC005869 www.ntadcl.co.in

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**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Member[s]

Registered Address

E-Mail ID :

Folio No./DP Id-Client Id:

I/We being the member[s] holding.....shares of the above named company, hereby appoint

1. Name :..... Email Id.....  
Address:.....  
Signature.....

or failing him / her

2. Name :..... Email Id.....  
Address:.....  
Signature.....

or failing him / her

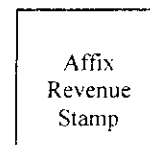
3. Name :..... Email Id.....  
Address:.....  
Signature.....

as my/our proxy to attend and vote [on a poll] for me//us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, the 24<sup>th</sup> day of September 2022 at 12.00 noon at Poppy's Hotel Pvt. Ltd., #7/27, Avinashi Road, Thirumurganpundi 641 652, Tirupur and at any adjournment thereof in respect of such resolutions as are indicated below / overleaf.

\*I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1	Adoption of Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Auditors for the Financial Year ended 31 <sup>st</sup> March 2022		
2	Re-appointment of Dr. Malini V Shankar, who retires by rotation		
3	Re-appointment of Mr. Baiju Mathew, who retires by rotation		
<b>Special Business</b>			
4	Appointment of Mr Prasanth M Wadnere, as a Director liable to retire by rotation		
5	Appointment of Mr Ananda Ganesan as a Director liable to retire by rotation		

Signed this .....day of.....2022

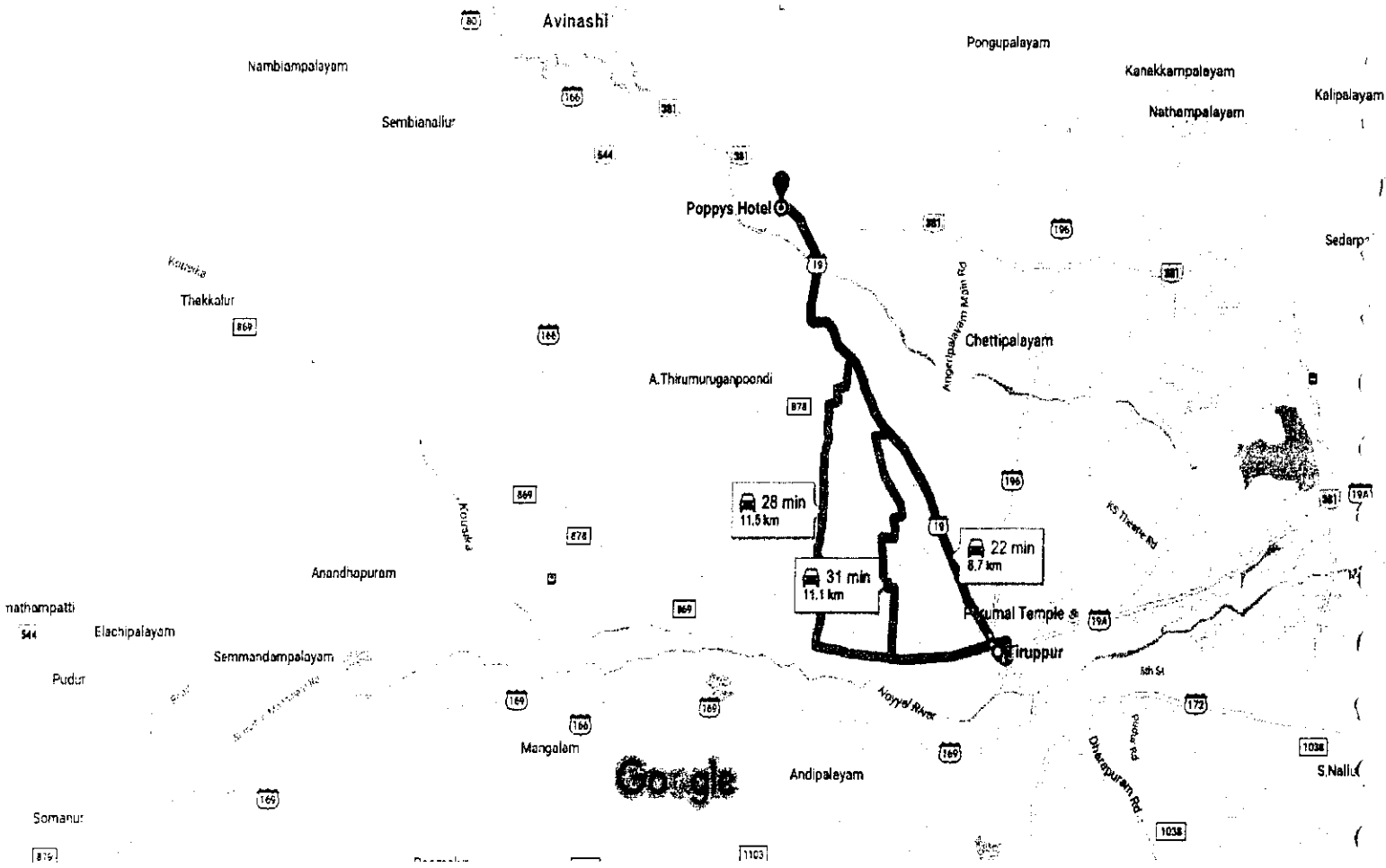


.....  
Signature of Shareholder

.....  
Signature of Proxy Holder [s]

**Notes:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A proxy need not be a Member of the Company
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) This is only optional. Please put a (X) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.



### Route Map

27<sup>th</sup> Annual General Meeting

Date : September 24, 2022

Day : Saturday

Time : 12.00 noon

Venue : Poppys Hotel  
Thirumurugan Poondi  
Avinashi Road  
Tirupur – 641 652.