



A legacy of consistency... Crusading a global vision



एनटीसी
NTC

52 वां वार्षिक प्रतिवेदन
nd Annual Report
2019-20

Contents

Particulars	Page No.
Board of Directors	2
Bankers / Auditors / Regd. Office	4
Regional Offices/Sub Offices and Mills at a glance	7-12
Notice for holding AGM	13-15
Director's Report	17-70
Annual Accounts (Standalone)	
C&AG comments	73-75
Independent Auditor's Report	76-89
Balance Sheet	90-91
Statement of Profit and Loss	92-93
Cash Flow Statement	94-95
Statement of Changes in Equity	96
Notes to Standalone Financial Statement	97-176
Annual Accounts (Consolidated)	
C&AG comments	179-182
Independent Auditor's Report	183-197
Balance Sheet	198-199
Statement of Profit and Loss	200-201
Cash Flow Statement	202-203
Statement of Changes in Equity	204
Notes to Consolidated Financial Statement	205-275
Form No. MGT-11, Route Map-& Attendance Slip	276-280

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR	Shri Ashutosh Gupta (Addl. Charge) (w.e.f 16.04.2021) Shri Nihar Ranjan Dash (from 09.04.2019 to 16.04.2021)	
GOVT. NOMINEE DIRECTORS	(i)	Shri Vijoy Kumar Singh, AS, MoT (w.e.f 14.06.2019) Dr. Subhash Chandra Pandey, SS & FA, MoT (Till 14.06.2019)
	(ii)	Shri Shashi Ranjan Kumar, AS&FA, MoT (w.e.f 05.05.2021) Shri Prem Kumar Kataria, SS, MoT (w.e.f 14.06.2019 to 31.05.2020) Smt. Aditi Das Rout, Trade Adviser, MoT (Till 14.06.2019)
INDEPENDENT DIRECTORS	(i)	Shri Anil B. Joshi
	(ii)	Smt. Anita Agarwal
	(iii)	Shri Devendra Daga
FUNCTIONAL DIRECTORS		[Director(HR)] Shri Ashutosh Gupta (w.e.f 12.01.2021) Shri R.K. Sinha (Till 15.05.2019)
		[Director(Finance)] Shri Inderpal Singh Sandhu (Addl. Charge) (w.e.f 16.10.2020) Smt. Bindu Sharma (Addl. Charge) (From 01.12.2019 to 21.07.2020) Dr. Anil Gupta (Till 28.11.2019)
COMPANY SECRETARY		Shri Pankaj Agarwal

Note: The above positions are as on the date of approval of Directors' Report by the Board i.e. 22.07.2021.

Board of Directors



Shri Vijoy Kumar Singh
AS, Ministry of Textiles
(w.e.f 14.06.2019)



Shri Ashutosh Gupta
Chairman & Managing Director
(w.e.f 16.04.2021)



Shri Shashi Ranjan Kumar
AS&FA, MoT
(w.e.f 05.05.2021)



Shri Prem Kumar Kataria
SS, Ministry of Textiles
(w.e.f 14.06.2019 to
31.05.2020)



Dr. Subhash Chandra
Pandey
**SS & FA, Ministry of
Textiles**
(Till 14.06.2019)



Shri Nihar Ranjan Dash
**Chairman & Managing
Director**
(from 09.04.2019 to
16.04.2021)



Smt. Aditi Das Rout
**Trade Advisor,
Ministry of Textiles**
(Till 14.06.2019)



Shri Anil B. Joshi
Independent Director
(Till 29.01.2020)



Smt. Anita Agarwal
Independent Director
(Till 29.01.2020)



Shri Devendra Daga
Independent Director
(Till 29.01.2020)



Shri Inderpal Singh Sandhu
Director (Finance)
(w.e.f 16.10.2020)



Smt. Bindu Sharma
Director (Finance)
(From 01.12.2019 to 21.07.2020)



Dr. Anil Gupta
Director (Finance)
(Till 28.11.2019)



Shri R. K. Sinha
Director (Human Resource)
(Till 15.05.2019)

REGISTERED OFFICE

Core-IV, SCOPE Complex,
7, Lodhi Road
New Delhi - 110 003

AUDITORS

Statutory Auditors

M/s Bansal R. Kumar & Associates,

Chartered Accountants,
G-7 & 8, Namdhari chambers,
9/54, D.B. Gupta Road,
Karol Bagh,
New delhi-110005

Lead Cost Auditors

Chandra Wadhwa & Co.

204, Krishna House, 4805/24,
Bharat Ram Road, Darya Ganj,
New Delhi-110002.

Secretarial Auditors

M/s. J. K. Gupta and

Associates, Company
Secretaries,
256 to 258, Vardhaman City
Centre-2, Near Shakti Nagar
Railway Under Bridge, New
Delhi -110052

BANKERS

- i) Corporation Bank
- ii) Punjab National Bank
- iii) State Bank of India
- iv) Bank of Baroda
- v) Indian Bank
- vi) IDBI Bank
- vii) Bank of Maharashtra
- viii) Canara Bank
- ix) UCO Bank
- x) Central Bank of India
- xi) Indian Overseas Bank
- xii) IDFC Bank Limited
- xiii) ICICI Bank Limited
- xiv) Bank Of India
- xv) Allahabad Bank
- xvi) HDFC Bank



Observance of Vigilance awareness week 2020 from 27/10/2020 to 02/11/2020 in the presence of Dr. S H Khan (IDES), CVO NTC Ltd & Other Officials.



Hindi Pakhwara Closing Ceremony on dated 28 September, 2019.

REGIONAL OFFICES

NAME	ADDRESS
1. Western Regional Office	NTC House, 15, Narottam Morarjee Marg, Ballard Estate, Mumbai-400 001
2. Southern Regional Office	35-B NTC House Somasundram Mills Road, Kattur Coimbatore-641 009

SUB OFFICES

1. NATIONAL TEXTILE CORPORATION Ltd. AHMEDABAD	1791, Ashram Road, Ahmedabad-380009
2. NATIONAL TEXTILE CORPORATION Ltd. NEW DELHI	Core-IV, SCOPE Complex, 7, Lodhi Road New Delhi-110 003
3. NATIONAL TEXTILE CORPORATION Ltd. INDORE	41, Jangampura, Malganj Square, Jawahar Marg, Indore-452002
4. NATIONAL TEXTILE CORPORATION Ltd. KANPUR	14/82, "Sylverton" Civil Lines, Kanpur-208001
5. NATIONAL TEXTILE CORPORATION Ltd. KOLKATA	7, Jawahar Lal Nehru Road Kolkata-700013

NTC MILLS IN OPERATION - AT A GLANCE

S. No.	Name of Mills/JV Company	Location	State	Status
I	NTC – Western Regional Office	Mumbai	Maharastra	
1	Barshi Textile Mills	Barshi	Maharastra	Modernized
2	India United Mills No 5	Mumbai	Maharastra	Modernized
3	Podar Mills	Mumbai	Maharastra	Modernized
4	Tata Mills	Mumbai	Maharastra	Modernized
5	Finlay Mill	Achalpur	Maharastra	New Unit
II	NTC – Southern Regional Office	Coimbatore	Tamilnadu	
1	Coimbatore Murgan Mills	Coimbatore	Tamilnadu	Modernized
2	Combodia Mills	Coimbatore	Tamilnadu	Modernized
3	Pankaja Mills	Coimbatore	Tamilnadu	Modernized
4	Sri Rangavilas Gng.Spg.&Wvg. Mill	Coimbatore	Coimbatore	Modernized
5	Kaleeswarar Mills “B” Unit	Kalayarkoil	Tamilnadu	Modernized
6	Pioneer Spinners	Kamudakudi	Tamilnadu	Modernized
7	Coimbatore Spg. & Wvg. Mills	Coimbatore	Tamilnadu	To be Modernized
8	Tirupathi Cotton Mills	Renigunta	Andhra Pradesh	To be Modernized
9	Alagappa Textile Mills	Alagappanagar	Kerala	Modernized
10	Cannanore Spg. & Mfg. Mills	Cannanore	Kerala	Modernized
11	Kerala Laxmi Mills	Trichur	Kerala	Modernized
12	Vijaymohini Mills	Thiruvanthapuram	Karnataka	Modernized
13	Cannanore Spg. & Wvg. Mills	Mahe	Pondicherry	Modernized
14	New Minerva Mills	Hassan	Karnataka	New Unit
III	NTC - Madhya Pradesh	Indore	Madhya Pradesh	
1	New Bhopal Textile Mills	Bhopal	Madhya Pradesh	Modernized
2	Burhanpur Tapti Mills	Burhanpur	Madhya Pradesh	Modernized
IV	NTC – Gujarat	Ahmedabad	Gujarat	
1	Rajnagar Textiles Mills No.I	Ahmedabad	Gujarat	New Unit
V	NTC - WBAB&O	Kolkata	West Bengal	
1	Arati Cotton Mills	Dasnagar	West Bengal	Modernized

MILLS UNDER JOINT VENTURES

A. STATUS OF 5 JVCs

S.No	Name of JV Company	Status	Location	State
I	NTC – Western Regional Office		Mumbai	Maharastra
1.	Apollo Design Apparel Parks Limited	Manufacturing & Trading	Mumbai	Maharastra
2.	Goldmohur Design and Apparel Park Limited	Manufacturing & Trading	Mumbai	Maharastra
3.	New City of Bombay Mfg. Mills Limited	Non operational	Mumbai	Maharastra
4.	Aurangabad Textiles and Apparel Parks Limited	Non Operational	Aurangabad	Maharastra
5.	India United Textile Mill Limited	Only Trading	Mumbai	Maharastra

B. 11 JV MILLS UNDER ARBITRATION

S.No	Name of Mill	Location	State
I	NTC – Western Regional Office	Mumbai	Maharastra
1.	Chalisgaon Textile Mills	Chalisgaon	Maharastra
2.	Dhule Textile Mills	Dhule	Maharastra
3.	Nanded Textile Mills	Nanded	Maharastra
4.	Savatram Ramprasad Mills	Akola	Maharastra
5.	RBBA Spg. & Wvg. Mills	Hinganghat	Maharastra
II	NTC – Southern Regional Office	Coimbatore	Tamilnadu
6.	Sri Sarada Mills	Coimbatore	Tamilnadu
7.	Parvathi Mills	Quilon	Kerala
III	NTC – Uttar Pradesh	Kanpur	Uttar Pradesh
8.	Swadeshi Cotton Mills	Maunath Bhanjan	Uttar Pradesh
IV	NTC - WBAB&O	Kolkata	West Bengal
9.	Orissa Cotton Mills	Bhagalpur	Orissa
10.	Luxmi Narayan Cotton Mills	Rishra	West Bengal
11.	Sodepur Cotton Mills	Sodepore	West Bengal

CLOSED MILLS OF NTC– AT A GLANCE

S. No.	Name of Mills	Location	State	Date of closure/Status
I	NTC – Western Regional Office	Mumbai	Maharashtra	
1.	Kohinoor Mills No 2	Mumbai	Maharashtra	01.06.2002
2.	Kohinoor Mills No 3	Mumbai	Maharashtra	01.06.2002
3.	India United Mills No 4	Mumbai	Maharashtra	31.10.2002
4.	India United Mills No 2	Mumbai	Maharashtra	31.03.2004
5.	India United Mills No 3	Mumbai	Maharashtra	31.03.2004
6.	Jam Manufacturing Mills	Mumbai	Maharashtra	31.03.2004
7.	Shri Sitram Mills	Mumbai	Maharashtra	31.03.2004
8.	Bharat Textile Mills	Mumbai	Maharashtra	01.04.2004
9.	Digvijay Textile Mills	Mumbai	Maharashtra	01.04.2004
10.	Elphinstone Spg.&Wvg. Mills	Mumbai	Maharashtra	01.04.2004
11.	Madhusudan Mills	Mumbai	Maharashtra	01.04.2004
12.	Mumbai Textile Mills	Mumbai	Maharashtra	01.04.2004
13.	Jupitar Textile Mills	Mumbai	Maharashtra	01.04.2004
14.	New Hind Textile Mills	Mumbai	Maharashtra	01.04.2004
15.	Podar Processors	Mumbai	Maharashtra	01.04.2004
16.	Shree Madhusudan Mills	Mumbai	Maharashtra	01.04.2004
17.	R.S.R.G Mills,Akola	Mumbai	Maharashtra	05.06.2004
18.	Model Mills	Nagpur	Maharashtra	05.06.2004
19.	Kohinoor Mills No 1	Mumbai	Maharashtra	27.12.2006
20.	India United Mills No. 6	Mumbai	Maharashtra	24.01.2007
21.	Finlay Mills	Mumbai	Maharashtra	October 2009
II	NTC – SOUTHERN REGIONAL OFFICE	Coimbatore	Tamilnadu	
22.	Mysore Spg & Mfg. Mills	Bangalore	Karnataka	--
23.	Adoni Cotton Mills	Adoni	Andhra Pradesh	06.05.2002
24.	Natraj Spinning mills	Adilabad	Andhra Pradesh	06.05.2002
25.	Netha Spinning & weaving Mills	Secundrabad	Andhra Pradesh	06.05.2002
26.	MSK Mills	Gulbarga	Karnataka	06.05.2002
27.	Kishnaveni Textile Mills	Coimbatore	Tamilnadu	31.05.2002
28.	Om parasakthi	Coimbatore	Tamilnadu	31.05.2002
29.	Kaleeswarar Mills 'A' Unit	Coimbatore	Tamilnadu	21.07.2002
30.	Azam Zahi Mills	Warangal	Andhra Pradesh	31.10.2002
31.	Somasundram Mills	Coimbatore	Tamilnadu	31.10.2002
32.	Balaramvarma Textile Mills	Shencottah	Tamilnadu	06.01.2003
33.	Ananthapur Cotton Mills		Andhra Pradesh	Feb, 2009
34.	Sree Yallamma Cotton Mills	Davangere	Karnataka	Feb, 2009
35.	Minerva Mills	Bangalore	Karnataka	March, 2011

S. No.	Name of Mills	Location	State	Date of closure/Status
III	NTC - DELHI, PUNJAB & RAJASTHAN	New Delhi	Delhi	
36.	Edward Mills	Beawar	Rajasthan	06.05.2002
37.	Dayalbagh Spg. & Wvg. Mills	Amritsar	Punjab	01.09.2003
38.	Panipat Woolen Mills	Kharar	Punjab	15.05.2004
39.	Shree Bijai Cotton Mills	Bijay Nagar	Rajasthan	Feb 2009
40.	Kharar Textile Mills	Kharar	Punjab	Feb 2009
41.	Surat Textile Mills	Malout	Punjab	Feb 2009
IV	NTC - MADHYA PRADESH	Indore	Madhya Pradesh	
42.	Kalyanmal Tapti Mills	Indore	Madhya Pradesh	31.05.2002
43.	Swadeshi Textile Mills	Indore	Madhya Pradesh	31.05.2002
44.	Bangal Nagpur Cotton Mills	Rajnandgaon	Chattisgarh	31.10.2002
45.	Hira Mills	Ujjain	Madhya Pradesh	31.10.2002
46.	Indore Malwa United Mills	Indore	Madhya Pradesh	31.03.2003
V	NTC - UTTAR PRADESH	Kanpur	Uttar Pradesh	
47.	Muir Mills	Kanpur	Uttar Pradesh	11.03.2004
48.	New Victoria Mills	Kanpur	Uttar Pradesh	11.03.2004
49.	Swadeshi Cotton Mills	Kanpur	Uttar Pradesh	11.03.2004
50.	Luxmi Rattan Cotton Mills	Kanpur	Uttar Pradesh	11.03.2004
51.	Atherton West Mills	Kanpur	Uttar Pradesh	11.03.2004
52.	Shree Vikram Cotton Mills	Lucknow	Uttar Pradesh	11.03.2004
53.	Lord Krishna Textile Mills	Saharanpur	Uttar Pradesh	11.03.2004
54.	Rae Bareli Textile Mills	Raebareli	Uttar Pradesh	11.03.2004
55.	Bijli Cotton Mills	Hathras	Uttar Pradesh	11.03.2004
56.	Swadeshi Cotton Mills	Naini	Uttar Pradesh	Feb.2009
VI	NTC - GUJARAT	Ahmedabad	Gujarat	
57.	Petlad Textiles Mills	Petlad	Gujarat	06.05.2002
58.	Rajkot Textile Mills	Rajkot	Gujarat	06.05.2002
59.	Virangam Textile Mills, Virangam	Virangam	Gujarat	31.07.2002
60.	New Manekchowk Textile Mills	Ahmedabad	Gujarat	31.07.2002
61.	Mahalaxmi Textile Mills	Bhavanagar	Gujarat	30.09.2002
62.	Rajnagar Textiles Mills No.II	Ahmedabad	Gujarat	31.10.2002
63.	Rajnagar Textiles Mills No.II	Ahmedabad	Gujarat	31.10.2002
64.	Ahemadabad Jupitar Mills	Ahmedabad	Gujarat	31.10.2003
65.	Jehangir Textile Mills	Ahmedabad	Gujarat	30.06.2004
66.	Ahmedabad New Textile Mills	Ahmedabad	Gujarat	07.02.2009
VII	NTC - WBAB&O	Kolkata	West Bengal	
67.	Bangasri Cotton Mills	Sonepore	West Bengal	06.05.2002
68.	Bengal Fine Spg. & Wvg. Mills no.2	Katagunj	West Bengal	06.05.2002
69.	Gaya Cotton & Jute Mills	Gaya	Bihar	06.05.2002
70.	Manindra B.T.Mills	Cossimbazar	West Bengal	06.05.2002

S. No.	Name of Mills	Location	State	Date of closure/Status
71.	Jyoti Wvg. Factory	Patipukur	West Bengal	06.05.2002
72.	Central cotton mills	Belur	West Bengal	06.05.2002
73.	Shree Mahalaxmi cotton mills	Palta	West Bengal	06.05.2002
74.	Bengal Fine Spg. & Wvg. Mills No.1	Konnagar	West Bengal	25.10.2003
75.	Bengal Laxmi Cotton Mills	Serampore	West Bengal	25.10.2003
76.	Rampooria Cotton Mills	Rishra	West Bengal	25.10.2003
77.	Associated Industries	Chandrapura	Assam	Feb.2009
78.	Bihar Co-op Weavers Spg. Mills	Mokameh	Bihar	Feb.2009

TRANSFERRED TO PUDUCHERY GOVT

S. No.	Name of Mills	Location	State
1	Shri Bharthi Mills	Puduchery	Puduchery
2	Swadeshi Cotton Mills	Puduchery	Puduchery

MILLS NOT OPERATIONAL

S. No.	Name of Mills	Location	State
1	Mahalaxmi Cotton Mills	Beawar	Rajasthan
2	Udaipur Cotton Mills	Udaipur	Rajasthan

MILL NOT RUN AFTER NATIONALIZATION

S. No.	Name of Mills	Location	State
1	Fine Knitting Mills	Ahmedabad	Gujrat
2	Kothanandam Mills	Madurai	Tamilnadu
3	Kanoria Mills	Konnagar	West Bengal
4	Bengal Textile Mills	Kasimbazar	West Bengal

MILLS CLOSED UNDER SC ORDER

S. No.	Name of Mills	Location	State
1	Ajudhia Mills	Azadpur	Delhi

MILLS TAKEN OVER, NOT NATIONALIZED & DENOTIFIED (BY DEFAULT ON 22.06.1988)

S. No.	Name of Mills	Location	State
1	Mohini Mills	Belgharia	West Bengal

NOTICE

Notice is hereby given that **52nd Annual General Meeting** of National Textile Corporation Limited, will be held on **Monday, the 23rd Day of August, 2021 at 3 PM** at the Registered Office of the Company at **SCOPE Complex, 5th Floor, Core-IV, 7, Lodhi Road, New Delhi - 110 003** to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the **Standalone** Audited Balance Sheet as at 31st March, 2020 and Profit & Loss Account for the year ended on that date together with the Report of the Auditors, Directors and comments of Comptroller & Auditor General of India thereon.
2. To receive, consider and adopt the **consolidated** Audited Balance Sheet as at 31st March 2020, Profit & Loss Account for the year ended on that date together with the Report of the Auditors and comments of Comptroller & Auditor General of India thereon.
3. To ratify the remuneration of Statutory Auditors appointed by Comptroller & Auditor General of India (C&AG), for the financial year ended on 31st March, 2020.

SPECIAL BUSINESS:

4. **To ratify the remuneration of the Cost Auditors of the Company for the Financial Year 2020-21.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment thereof, for the time being in force) the total remuneration of ₹ 6,05,000/- plus GST, as per terms of appointment of Cost Auditors, to be paid to Lead and other Cost Auditors in respect of Cost Audit of 24 Mills and consolidation and submission of report thereof to the Board of Directors (as detailed out in the Explanatory Statement) for the Financial Year 2020-21, as approved by the Board of Directors, be and is hereby ratified.”

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

By Order of the Board of Directors

-Sd/-

(Pankaj Agarwal)

Company Secretary

Place: New Delhi

Date : 27.07. 2021

NOTES :

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business at Item No.4, set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT TO BE A MEMBER OF**

THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXY FORM IS ENCLOSED.

3. The President of India or Governor of State, as the case may be, may appoint their representative under section 112(1) of the Companies Act 2013 to participate in the meeting. A person so appointed shall be deemed to be a member of the company.

Explanatory Statement Pursuant to Section 102(1) of the Companies Act 2013.

Item No. 4

Board of Directors in its meeting held on 9th October, 2020 has approved the names of the 13 Cost Auditor Firms for Cost Audit of 24 mills and the consolidation and submission of the report thereof to the Board of Directors, at a total fee of ₹ 6,05,000/- plus GST, as per terms of appointment, for the Financial Year 2020-21.

The Details of Cost Auditors and their remuneration are as under:-

S. No.	Name of the Cost Auditor / Firms	S. No.	Consolidation Work / Name of the Mills for Cost Audit	Cost Audit fees (₹)
1.	Chandra Wadhwa & Co., New Delhi, (Lead Cost Auditor)	(A)	Consolidation & Submission of Report to Board	49500/-
		(B)	Mills for Cost Audit :-	
2.	C.Sanjeevi , Coimbatore	1.	Combodia Mills, Coimbatore (TN)	22000/-
		2.	Pankaja Mills, Coimbatore (TN)	22000/-
3.	AR Ramasubramania Raja, Coimbatore	1.	Pioneer Mills, Coimbatore, Tamil Nadu	22000/-
		2.	Kaleeswarar-B, Coimbatore (TN)	22000/-
4.	M/s. KSS VKG & Associate, Bangalore	1.	Sri Rangavilas Gng. Spg. & Wvg. Mills, Coimbatore (TN)	22000/-
		2.	CSW Mills, Coimbatore (TN)	22000/-
5.	L. Rajendran & Associates, Coimbatore	1.	Coimbatore Murugan Mills, Coimbatore (TN)	27500/-
6.	Rupa Acharya, Bangalore	1.	CSW, Mahe, Puducherry	22000/-
		2.	Cannaore Spg. & Wvg. Mills, Cannanore (Kerala)	22000/-
7.	Dhananjay V Joshi & Associate, Pune	1.	Tirupathi Mills, Tirupathi, Andhra Pradesh	22000/-
		2.	Kerala Laxmi Mills, Thrissur (Kerala)	22000/-
		3.	Vijay Mohini Mills, Trivandrum (Kerala)	22000/-
		4.	Alagappa Textiles, Alagappa Nagar (Kerala)	22000/-
		5.	New Minerva Mills, Hassan, Karnataka	27500/-
8.	Joshi Apte & Associates, Pune	1.	Tata Mills, Mumbai (MH)	27500/-
		2.	Podar Mills, Mumbai (MH)	22000/-
		3.	Indu No. 5 Mills, Mumbai Maharashtra	22000/-
		4.	Finlay Mills, Mumbai, (MH)	22000/-

S. No.	Name of the Cost Auditor / Firms	S. No.	Consolidation Work / Name of the Mills for Cost Audit	Cost Audit fees (₹)
9.	K G Goyal & Co., Jaipur	1.	Barshi Mills, Solapur, Maharashtra	22000/-
		2.	Raj Nagar Textile Mills, Ahmadabad (Guj.)	27500/-
10.	Aman Malviya & Associates, Lucknow	1.	New Bhopal Textile Mills, Bhopal (MP)	22000/-
11.	M/s BK Das & Associates, Bilaspur	1.	Burhanpur Tapti Mills, Burhanpur (MP)	22000/-
12.	Bomdyopadhyaya Bhaumik & Co., Kolkata	1.	Arati Cotton Mills, Dasnagar (WB)	22000/-
13.	Ujwal P. Loya & CO, Nagpur	1.	Finlay Mills, Achalpur (MH)	27500/-
			Total	6,05,000/-

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company, is required to be subsequently ratified by the Members of the Company. Accordingly, the resolution for ratification of the fee of the Cost Auditors as set out at Item No. 4 of the Notice is submitted for approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relative(s) are concerned or interested in the resolution.

The Board recommends the resolution for your approval.

By Order of the Board of Directors

-Sd/-

(Pankaj Agarwal)

Company Secretary

Place: New Delhi

Date : 27.07. 2021

Registered Office: SCOPE Complex, Core-IV, 7 Lodi Road, New Delhi-110 003

(CIN: U74899DL1968GOI004866)

To:

- All Members of National Textile Corporation Limited.
- M/s Bansal R. Kumar & Associates, Chartered Accountants, Statutory Auditors, G- 7 & 8, Namdhari Chambers, 9/54, D.B. Gupta Road, Karol Bagh, New Delhi - 110 005.
- M/s. J.K. Gupta and Associates, Company Secretaries, Secretarial Auditor, 256 to 258, Vardhaman City Center – 2, Near Shakti Nagar Railway Under Bridge, New Delhi-110 052.
- All the Directors on the Board of National Textile Corporation Limited.
- Director, MAB-II, 4th-5th Floor, Annexe Building, 10, B.S. Zafar Marg, New Delhi - 110 002.



52nd Annual General Meeting of National Textile Corporation Limited for the Financial Year 2019-20 held on 23/08/2021



Shri Ashutosh Gupta
Chairman & Managing Director

DIRECTOR'S REPORT 2019-20

Dear Shareholders,

Your Directors take immense pleasure in presenting the 52nd Annual Report on the working and achievements / events of the National Textile Corporation Limited (NTC). The report comes together with the Annual Accounts for the year ending 31st March, 2020 as approved by the Board and certified by the Auditors.

TEXTILE SCENARIO

The Indian textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country.

PLANNING AHEAD

NTC through its new marketing strategy has to reposition itself as a preferred clothier of Indian masses and a preferred supplier to yarn customers. Major Corporate houses now trust the quality of NTC and are buying yarn continuously from

us. Positioning itself to be a repository of Indian Textile Legacy, the strategy outlined is to create new brands and retail formats that deliver value for money apparel and home textiles to Indian masses and all potential customers across the globe eventually.

In keeping with the marketing mission and vision statement, NTC plans to bring various products to its customers through 86 company owned retail stores. In terms of basic operations, NTC also plans to move from selling yarn as a commodity to selling branded yarn by differentiating the yarn from those of other sellers and highlighting the USP's through appropriate brand name, design, symbol, logo and packaging. In order to ensure competition and better price discovery, new dealers are being registered.

The main shifts of its focus lie in changing the company's reputation from just being a production organization to a market oriented organization and communicate the change to all the stake holders on the new philosophy through various initiatives.

TECHNICAL TEXTILES, INSTITUTIONAL & EXPORTS

NTC has bagged orders from Ordnance Factory Board, Uttarakhand National Health Mission, Bharat Electronics Ltd, Bharat Earth Movers Ltd, Kandla Port Trust, Delhi Transport Corporation, Mazgaon Dock, Rashtriya Chemical Fertilizers (RCF) and other bodies. NTC has registered its presence in the exports market and has exported yarn and greige cloth to the tune of ₹ 18.83 crores in the year 2019-20.

CHALLENGES BEFORE COMPANY

The lower level of Modernization in most of the Mills is resulting in lower productivity & utilization. Mills are not able to produce high value yarn and also limiting value addition to the product for getting better margins. Higher Power cost due to non-availability of captive power, Mills have to depend on State Electricity Boards for getting power at higher rates. In most of the Mills, there are permanent workers and so paying higher wages.

During the year 2019-20 there has been improvement in technical performance i.e. productivity of the mills from 95.24 gms in 2018-19 to 97.45 gms in 2019-20. However, there has been marginal decline in utilization level during the year from 85.38% in 2018-19 to 75.82% due to adverse market condition.

CONSTITUTION OF BOARD

As on date of the Board's Report, the Board of NTC Limited consists of a Chairman & Managing Director (Temporary Charge), Director(Finance) (on additional charge), Director (HR) and one Govt. Nominee Director.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149

The President of India appointed three part time non-official Directors (Independent Directors) namely Shri Anil B. Joshi, Smt. Anita Agarwal and Shri Devendra Daga for a period of three years with effect from 30.01.2017, whose tenure ended on 29.01.2020. For the Financial year 2019-20, the Company has received declarations from its Independent Directors stating that they have met the criteria of independence under Section 149(6) of the Companies Act, 2013.

INTEGRITY PACT

Integrity Pact is a tool which ensures that all activities and transactions between a Company or Government Department and their Suppliers are handled in a fair, transparent and corruption-free manner. It prohibits any kind of bribing, favor or any other unethical practice, which are closely monitored by the Independent External Monitors (IEMs) nominated by CVC.

The Integrity Pact envisages an agreement between the prospective Vendors/Bidders and the Buyer, committing the officials of both sides with certain Do's and Dont's. WRO, SRO and HO submit tender details under Integrity Pact to IEMs who monitor the tendering process and review independently and objectively whether and to what extent the parties comply with the obligations under the agreement and inform the management whenever needed. Also, IEMs deal with the complaint matters pertaining to tenders received by them.

1. HIGHLIGHTS FOR THE YEAR 2019-20:

1.1 FINANCIAL RESULTS:

During the current year the company has reported a net loss of ₹350.11 crore as against a net loss of ₹310.22 crore in the previous year.

Financial results for the financial year 2019-20 are summarized below:-

(₹ in Crore)

SL.No.	Particulars	2019 -20	2018 -19
I	INCOME:		
	i) Gross Sale	850.42	1081.85
	ii) Increase/ (Decrease) in Stock	(47.31)	6.82
	iii) Other Income (Excluding Interest, Dividend etc.)	22.21	14.53
	Total Production value	825.32	1,103.20
	iv) Other Income		
	Interest on FD and int. on others	27.46	39.10
	b) Dividend	6.64	6.47
	Total Revenue (i to iv)	859.42	1,148.77
II	EXPENDITURE:		
	i) Consumption of Raw Material	522.45	696.80
	ii) Purchases for Trading	5.32	7.84
	iii) Consumption of Stores & Spares	20.77	32.14
	iv) Power & Fuel	191.51	241.45
	v) Employees Cost		
	a) Wages & Salaries	277.13	299.71
	b) Gratuity, Leave Provisions, etc.	21.75	10.26
	vi) Other Exp. (Manufacturing, Admn. & Selling Exp.)	57.42	62.35
	vii) CSR Expenses	-	0.02
	viii) Provisions for doubtful debts etc.	0.23	0.50
	Total- II	1,096.58	1,351.07
III	Profit/(Loss) from Ordinary activities before Depreciation, Interest exceptional / extraordinary items & Tax (I-II)	(237.16)	(202.30)
IV	i) Depreciation	49.50	53.22
	ii) Interest:		
	a) Interest on Government of India Loan	46.84	46.84
	b) Other Interest	12.67	10.95
	Total (IV)	109.01	111.01

SL.No.	Particulars	2019 -20	2018 -19
V	Profit or (Loss) from Ordinary activities before exceptional and extraordinary items (III-IV)	(346.17)	(313.31)
VI	Cash Profit or (Loss) from ordinary activities for the year before extra-Ordinary items and Tax excluding depreciation, provisions, Interest on Gol Loan. [V+{II(v)(b)+II(viii)+II(ix)+IV(i)+IV(ii)(a)}]	(227.85)	(202.48)
VII	Extra Ordinary Items		
	i) Income/ (Loss) from Sale of Assets etc.	(0.02)	(0.02)
	ii) Expenditure on MVRs etc.	(0.08)	(1.32)
	iii) Loss on demolition of collapsible building by authorities	(0.18)	0.00
	iv) Damages paid to Provident fund authorities	(0.10)	0.00
	Total (VII)	(0.38)	(1.34)
VIII	Other Comprehensive Income		
	Re-measurement gains/(losses) on defined benefit plans	(3.32)	4.49
	Net gain / (Loss) on FVTOCI equity securities	(0.24)	(0.06)
	Total (VIII)	(3.56)	4.43
IX	Tax:		
	i) Income Tax	-	-
	ii) Tax adjustment of previous year / Deferred Tax	-	-
	Total (IX)	-	-
X	Net Profit/(Loss) after Extra ordinary and Tax Items (V+VII+VIII – IX)	(350.11)	(310.22)

1.2 NET PROFIT & NET WORTH

The position of Net profit / (Loss) and Net Worth of the company at the end of last eight years is as follows:

(₹ in Crores)

ITEM	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Net Profit / (Loss)	85.12	(175.71)	(316.25)	15.45	969.38	(307.95)	(310.22)	(350.11)
Net –worth	1778.25	1602.54	1284.52	1298.50	2268.11	2041.09	1730.87	1380.76

1.3 CHANGES IN THE NATURE OF BUSINESS

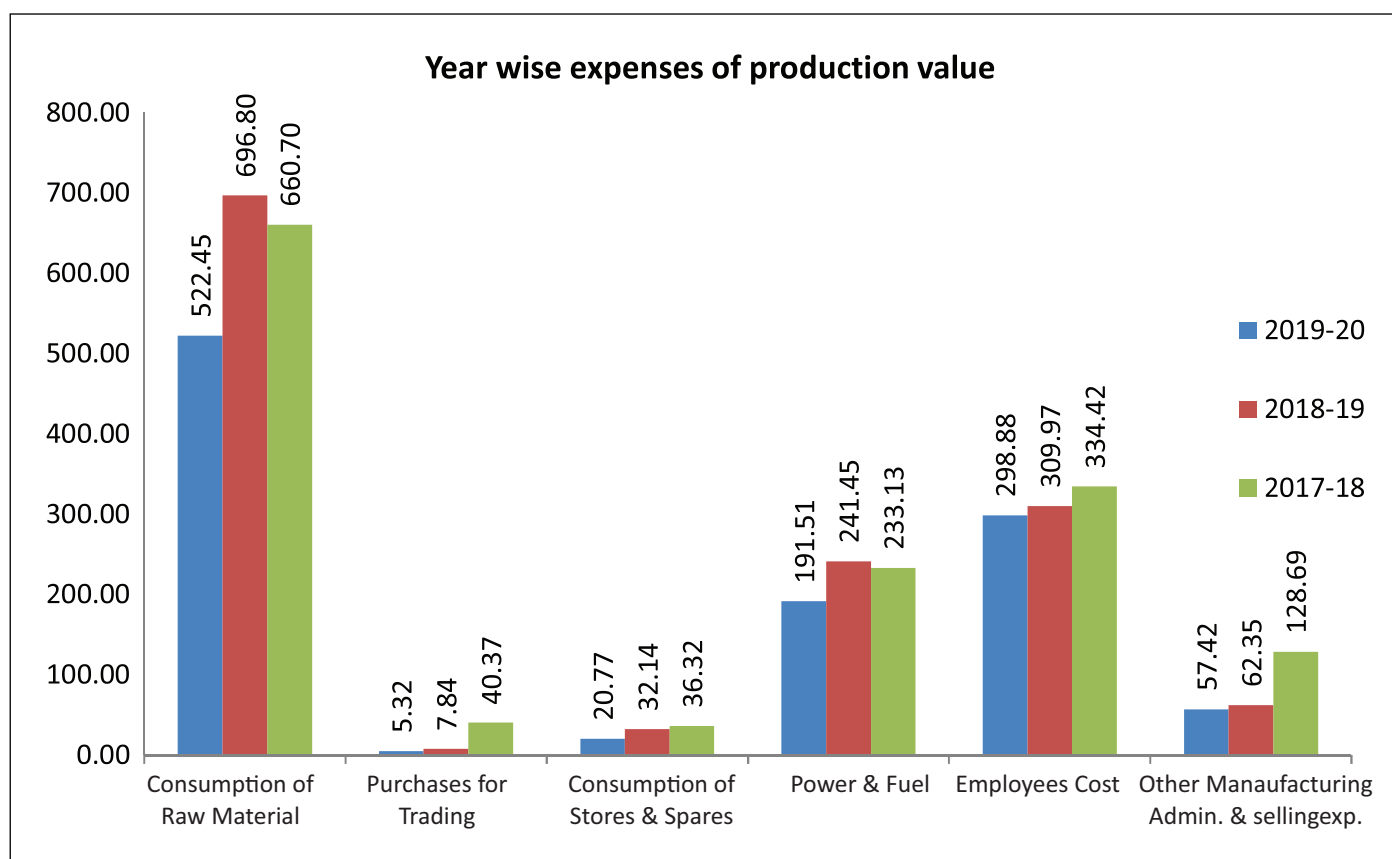
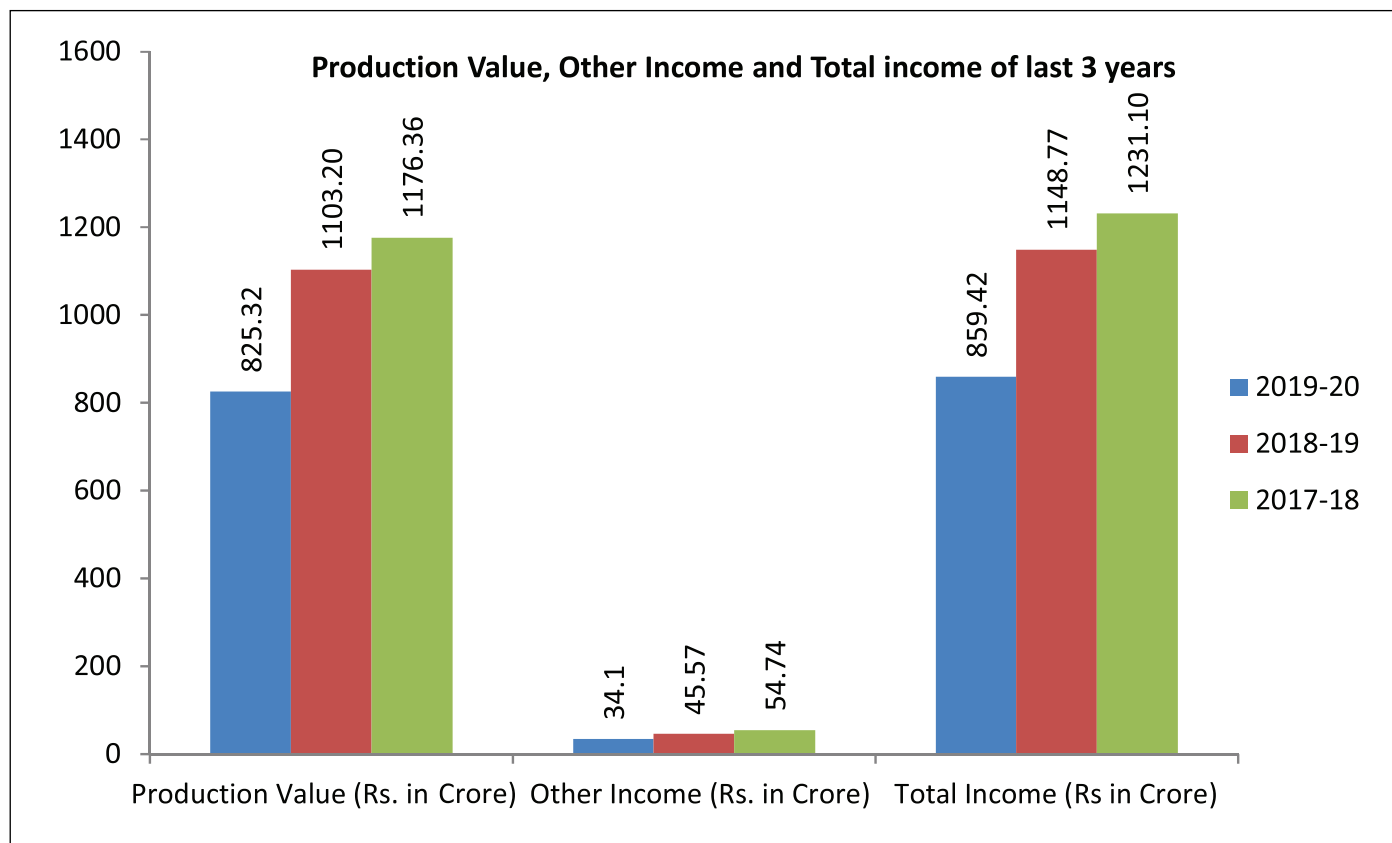
During the year 2019-20, the company has the same business pattern as of 2018-19.

2. DIVIDEND

No Dividend was declared for the current financial year due to carry forwarded losses.

3. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TOWHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no Material changes and commitments that affected the financial position of the company occurred between the end of the financial year 31.03.2020 to which this financial statements relate and the date of the report.



4.1 WAIVER OF LOAN AND INTEREST

As per the approved scheme of BIFR, a proposal with regard to the write off of Govt. of India loan of ₹62.50 crore received in 2006-07 and waiver of interest outstanding thereon is under consideration before the Ministry of Textiles. NTC has also proposed that interest accrued on Govt. of India loan of ₹207.50 crore, received during 2007-08 & 2008-09, be waived off.

4.2 STATUTORY DUES

There has been no default in the payment of regular PF/ESIC dues during the year. However, PF/ESI authorities have been requested to consider waiver of damages in accordance with the Revival Scheme (MS-08) approved by Hon'ble BIFR and also the dues/damages pertaining to pre-takeover period which is not the liability of our company as per the provisions of Sick Textile Undertakings (Nationalisation) Act (STUNA). Issue of payment of dues has been taken up with the respective authorities and opinion of Ministry of Law & Justice has supported the contention of NTC.

5. EXPENDITURE ON FOREIGN TOURS AND GUEST HOUSE

5.1 During the year 2019-20, company has not incurred any sum on foreign tours.

5.2 NTC Ltd. does not maintain any Guest House.

6. PRODUCTION & SALES

6.1 PRODUCTION:

During the year under review the 23 working mills of your company produced 41.08 million kgs. of yarn as against the production of 50.59 million kgs. in the previous year. These mills also produced 14.77 million sq. mtrs. of cloth during the current year as against the production of 34.31 million sq. mtrs. in the previous year.

6.2 SALES

The total turnover of the company during the year 2019-20 is ₹850.42 crores as against ₹1081.85 crores in the previous year.

7. NEW INITIATIVES

7.1 Initiatives taken by Marketing Department:

1. Customer base expansion: NTC expanded the customer base of yarn and fabric on PAN India basis. Currently there are 92 dealers for Yarn and Fabric, marketing department is continuously giving thrust to increasing the customers for enhancing market share.
2. Implementation of Production planning and control: Successful implementation of monthly production planning for all the mills by close coordination between Technical & Marketing Team.
3. Fabric Processing: For value addition on grey fabric, 10 Process Houses are empanelled for processing activities on job work basis to cater the goods for our retail marketing division and institutional / PSU order.
4. Standardization of packaging: The yarn packaging standardization is implemented with 60 kg./bag across the NTC mills.
5. Auto confirmation on MMS portal: In MMS software earlier the mills were confirming the booked goods manually in the system. In order to have 100% transparency auto confirmation was implemented from April 2019 onwards for smooth functioning, transparency; avoid ambiguity among dealers etc. of MMS portal.

7.2 ISO CERTIFICATION:

Out of 23 Mills, 20 NTC mills where modernization to a certain extent has been made and both the Regional Offices of your company have obtained ISO 9001:2008 certifications

7.3 E-PROCUREMENT OF COTTON

The cotton is being purchased through e-procurement route wherein the cotton specifications are put online and all registered vendors bid for the orders. It is an open and transparent system which has helped NTC in procuring the desired quality of cotton at reasonable price. The major quantity of cotton is procured from Cotton Corporation of India.

7.4 ENERGY CONSERVATION

Energy cost being one of the major components of cost of production, necessary care is being taken towards Energy Conservation. Our Corporation has now taken up energy conservation and re-engineering studies with help of Energy Audit.

The maximum demand of the units has been suitably revised and the action has been taken to reduce the sanctioned contract demand in the units wherever necessary, also in close mills. This action would save money in electricity bill especially those are lying closed since long in different states.

In closed mills, further efforts are on to take domestic connection for residential colony to take advantage of tariff difference between industrial and domestic.

7.4.1 SOLAR POWER - STEPS TAKEN FOR REDUCTION IN POWER COST

NTC is purchasing Private Power from OPG Power Generator under Group Captive Mode for the mills based in Tamil Nadu. For Kerala, Maharashtra and Gujarat through open access under IEX and in WRO the power is purchased through open access under bilateral mode. This has resulted into saving of ₹ 1197 lakhs during 2019-20.

During 2019-20, the company has saved ₹ 1253 Lakhs by providing Private Power Purchase, Solar Power and Energy Conservation measures under SRO and WRO region.

7.5 Formulation of revised Standard Operating Procedure (SOP) for the procurement of Polyester Staple fibre (psf) for ntc mills

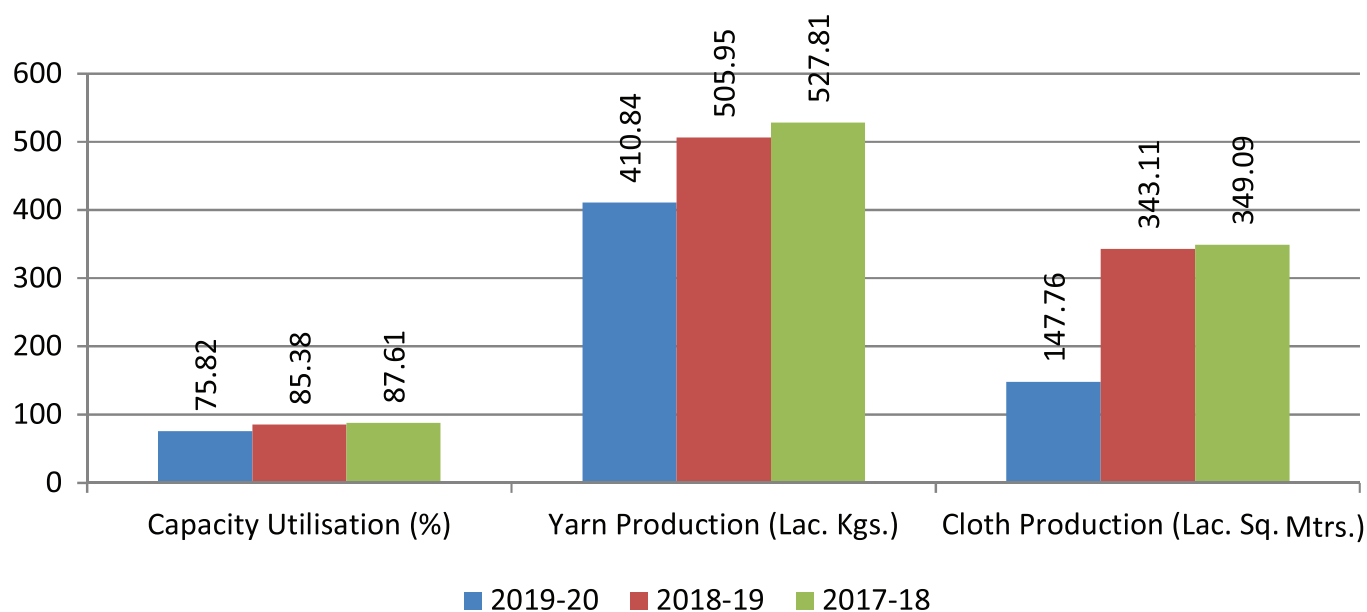
Since the numbers of PSF suppliers are increasing, it was a prudent thought to review the present SOP being followed for the procurement of PSF fibre. Accordingly, a revised SOP was prepared which was further fine tuned by the committee of NTC, Director, Independent Directors and a consultant (Senior Retired officer of Govt. Organization) and was further approved in Board meeting no. 387th held on 01.10.2019.

7.6 TO COUNTER LABOUR SHORTAGE

To improve man-hours required to produce 100 kg of yarn (HOK) of NTC, workload agreements are signed with labour unions on regular intervals as and when the existing one expired.

7.7 In accordance with the requirement of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the desired statement is given below:-

PARTICULARS	2019-20	2018-19	2017-18
Physical Production (Lakh Kgs.)	410.84	505.95	527.81
Cloth (Lakh Sq. Mtrs.)	147.76	343.11	349.09
Capacity Utilization (%age)	75.82	85.38	87.61
Consumption of Energy per unit of prod. In 40s conversion(Unit/kg.)	4.33	4.36	4.39

Capacity Utilisation, Yarn Production and Cloth Production in last 3 years

7.8 PERSONS WITH DISABILITIES (PWD) EMPLOYMENT:

As on 31.03.2020, 46 employees are with disability, Details are as under:-

S. No.	Persons With Disabilities	Employees No.
1.	Managerial/Executive	4
2.	Supervisory	6
3.	Workers	36
	Total	46

8. SIGNING OF MOU WITH MINISTRY OF TEXTILES

The MOU for the year 2019-20 has been signed between Ministry of Textiles and Company on 21.05.2019. As per the MOU the company proposes to achieve new financial targets of ₹ 1300 crores as turnover and improved technical performance by taking Spinning Utilization percentage to the level of 90%.

On account of Corona pandemic and subsequent declaration of Nation-wide lockdown by Government of India on 25.03.2020, operations of all 23 NTC mills were suspended its operations. Sales turnover for company as a whole has now been widely affected due to COVID – 19 and lockdown in the country.

The MOU for the year 2020-21, IMC meeting held on 21.12.2020, the decision of IMC is hereby conveyed regarding exemption of the “National Textile Corporation (NTC)” under the administration control of Ministry of Textile from signing of the MOU for the year 2020-21.

9. THE STATUS OF REHABILITATION SCHEME: BIFR / AAIFR ORDER

In terms of BIFR Order dated 20.10.2014, company is ceased to be a sick industrial company on the ground of its net worth becoming positive. The unimplemented portion of sanctioned rehabilitation scheme will however be

implemented by all concerned.

Appeals were filed against BIFR order dated 20.10.2014 by your company and Rashtriya Mill Mazdoor Sangh, Mumbai before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) on 19.01.2015.

AAIFR vide its order dated 17.12.2015 disposed of both the appeals and directed as under:

“The unimplemented portion of the scheme, as modified from time to time, will continue to be implemented and the BIFR will continue to monitor the implementation of such unimplemented portions of the scheme notwithstanding its discharge from the purview of SICA.”

10 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT

NTC has released an Inter Corporate Loan of ₹ 10.00 Crores to BIC and ₹ 7.00 Crores to HHEC on 23.10.2019 for payment of salary & wages.

11. PROGRESS OF IMPLEMENTATION OF REVIVAL SCHEME

11.1 IMPLEMENTATION OF MVRS

Most of the workers of the mills identified for closure and the surplus employees in the viable mills in addition to those employees who are desirous to go under MVRS in the various offices, were offered MVRS. During the year 2019-20, approx 13 applications could not be approved due to administrative reasons. Up to 31st March, 2019, 63792 employees have been under MVRS at a cost of ₹ 2384.79 Crores.

12.1 STATEMENTS ON SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

The details of Subsidiaries, Joint Ventures and Associates Company is furnished in Form AOC 1 enclosed at **Annexure-I**.

12.2 PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The disclosure of Related Party Transactions, as required under section 134 (3) (h) of Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form “AOC-2” is placed at **Annexure “II”**.

12.3 DEPOSITS

The Company has neither accepted nor renewed any deposits during the year.

13.1 Closure of unviable Mills

No mill has been closed under ID Act during the year 2019-20.

13.2.1 Modernization of Mills

NTC has in its fold 23 mills directly run by it.

13.2.1 Status of JVCs Mills:

- (i) 5 JVCs Mills: NTC Board decided to cancel the JV arrangement with Aurangabad Textiles & Apparel Parks Ltd., Aurangabad and New City of Bombay Mfg. Mills Ltd., Mumbai in its meeting held on 14.09.2017. Approval of MoT awaited.

Based on decision of NTC Board, Show cause notice was issued on 27.07.2018 to Strategic Partners of Apollo Design Apparel Parks Ltd., Mumbai, Goldmohur Design & Apparel Parks Ltd., Mumbai and India United Textiles Mills Ltd., Mumbai stating that why the appropriate actions as contemplated under SSSA and other agreements be not taken against them for the breaches committed by them. Reply to the same has been submitted by Strategic Partner (SP), on which opinion of Sh. Tushar Mehta, Solicitor General of India has been obtained by Committee.

- (ii) 11 JVCs Mills: The cancellation of Memorandum of Understanding (MoU) in respect of 11 Mills with three Strategic Partners (SP) was challenged by them before Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi has viewed the termination as illegal vide its order dated 14.08.2012. A review petition was filed by NTC against the said order which was disposed of with a direction to present the same before the Arbitral Tribunal where arbitration proceedings are pending. The Hon'ble Arbitral Tribunal vide common award dated 10.04.2019 has disallowed the claims and counter-claims of both the parties and directed the parties to formalize the requisite formalities which remained incomplete when the dispute arose and the matter was referred to arbitration, within a stipulated time mentioned in the award. It further directed that in case requisite formalities are not completed by the parties then the Strategic Partners shall be entitled to the refund of the amount deposited to NTC without any interest. In compliance of the Award, NTC vide letters dated 09.10.2019 returned the upfront money amounting to ₹8.40 crores through cheques to the respective Strategic Partners. However, the Strategic Partners vide letters dated 18.10.2019 returned the cheques to NTC and challenged the Award Before the Hon'ble High Court of Delhi which is pending.

13.3 Future Plans

To improve the bottom line of the company, a modernization plan duly concurred by SITRA envisaging an investment of ₹ 360 crores covering all 23 working mills was put up before 375th Board Meeting. It was decided that initially, with an objective to generate cash profit, 11 mills with the total investment of ₹ 230 crore are to be modernized.

14. STATUS OF 5 JV MILLS

In respect of 5 Joint Venture (JV) arrangements, their consolidated financial position is as under: (₹ in Crore)

Particulars	2019-20	2018-19
I. INCOME:		
1. Sales	610.22	623.32
2. Other Income	20.80	8.28
3. Increase/ (Decrease) in Stock	(0.89)	3.84
Total Income from Operation (1+2+3)	630.13	635.46
II. EXPENDITURE:		
1. Cost of Material Consumed	38.72	35.64
2. Purchases for Trading	517.79	533.43
3. Employees Remuneration & Benefits	18.04	16.85
4. Administrative, Selling & Distribution Expenses and other expenses	16.42	11.42
Total Expenditure on Operations (1+2+3+4)	590.97	597.34
III. Cash Profit/ (Loss) from Operations before Extra-Ordinary Items and Non Operational Expenses	39.16	38.11

Particulars	2019-20	2018-19
IV. Non Operational Expenses		
1. Provision written Back	0.00	0.00
2. Depreciation	2.81	2.84
3. Income Tax (Current)	9.98	13.18
4. Income Tax (Deferred)	(0.64)	(0.20)
Total Non-Operational Expenses (1+2+3+4)	12.16	15.82
V. Net Profit/ (Loss) after Non Operational Expenses and Taxes	27.00	22.29
VI. Other Comprehensive Income	(0.09)	0.04
VII. Total Comprehensive Income for the year	26.92	22.33
VIII. NTC's Investment	18.09	18.09
IX. Percentage of NTC shares (%)	0.51	0.51
X. NTC's share in profit	13.77	11.39
XI. Dividend received (NTC Share)	6.63	6.47

15. CONSOLIDATION OF FINANCIAL STATEMENTS (CFS)

In accordance with the schedule III of the Companies Act, 2013 and applicable Accounting Standards your company has prepared the Consolidated Financial Statements (CFS) considering National Textile Corporation Limited, its five Joint venture companies and one Associate Company.

Consolidated Financial Results for the year 2019-20 are furnished below:-

(₹ in Crore)

S. No.	Particulars	Results 2019-20	Results 2018-19
I	INCOME:		
	i) Gross Sale	850.42	1081.85
	ii) Increase/ (Decrease) in Stock	(47.31)	6.82
	iii) Other Income (Excluding Interest, Dividend etc.)	22.21	14.53
	Total Production value	825.32	1,103.20
	iv) Other Income-		
	a) Interest on FD, int. on sales proceed of assets	27.46	39.10
	b) Dividend	0.01	0.01
	Total Revenue (i to iv)	852.79	1,142.31
II	EXPENDITURE:		
	i) Consumption of Raw Material	522.45	696.80
	ii) Purchases for Trading	5.32	7.84
	iii) Consumption of Stores & Spares	20.77	32.14
	iv) Power & Fuel	191.51	241.45
	v) Employees Cost :		
	a) Wages & Salaries	277.13	299.71
	b) Gratuity, Leave Provisions etc.	21.75	10.26
	vi) Other Expenses (Manufacturing, Admn. & Selling Exp.) including excise duty	57.42	62.35

S. No.	Particulars	Results 2019-20	Results 2018-19
	vii) CSR Expenses	-	0.02
	viii) Provisions for doubtful debts etc.	0.23	0.50
	TOTAL-II	1,096.58	1,351.07
III	Profit /(Loss) from Ordinary activities before Depreciation, Interest exceptional / extraordinary items & Tax (I - II)	(243.79)	(208.76)
IV	i) Depreciation	49.50	53.22
	ii) Interest:		
	a) Interest on Government of India Loan	46.84	46.84
	b) Other Interest	12.67	10.95
	Total (IV)	109.01	111.01
V	Profit or (Loss) from Ordinary activities before exceptional and extraordinary items (III-IV)	(352.80)	(319.77)
VI	Cash Profit or (Loss) from ordinary activities for the year before extra-Ordinary items and Tax excluding depreciation, provisions, Interest on Gol Loan. [V+{II(v)(b)+ii(vii)+II(ix)+IV(i)+IV(ii)(a)}]	(234.48)	(208.94)
	Share in profit/(loss) of entities accounted using Equity Method	12.41	10.04
VII	Extra Ordinary Items		
	i) Income/ (Loss) from Sale of Assets etc.	(0.02)	(0.02)
	ii) Expenditure on MVRs etc.	(0.08)	(1.32)
	iii) Loss on demolition of collapsible building by authorities	(0.18)	0.00
	iv) Damages paid to Provident fund authorities	(0.10)	0.00
	Total (VII)	(0.38)	(1.34)
VIII	Other Comprehensive Income		
	i) Re-measurement gains/(losses) on defined benefit plans	(3.32)	4.49
	ii) Net gain / (Loss) on FVTOCI equity securities	(0.24)	(0.06)
	iii) Equity Method	(0.05)	0.02
	Total (VIII)	(3.61)	4.45
IX	Tax:		
	i) Income Tax	-	-
	ii) Tax adjustment of previous year / Deferred Tax	-	-
	Total (IX)	-	-
X	Net Profit / (Loss) after Extra ordinary and Tax Items (V+VII+VIII-IX)	(344.38)	(306.62)

16. HUMAN RESOURCES DEVELOPMENT

16.1 INDUSTRIAL RELATIONS:

The Industrial Relations in NTC Group remained cordial during the year except some minor issues.

16.2 WORKERS' PARTICIPATION IN MANAGEMENT:

The mechanism of Workers' participation in management is an essential ingredient of Industrial democracy which exists in the mills of NTC. The management with this approach encourage workers participation in the decision-making process of the organization for better understanding of their role in organisation, establish good communication system, increase productivity, promote mutual understanding and the level of satisfaction of

workmen in the organisation. The level of “workers’ participation in management” is in existence in Mills at different level i.e. Decisive Participation, Consultative Participation, Associative Participation, Administrative Participation and Informative Participation. The grievance policy and procedure is already in existence.

16.3 EMPLOYMENT OF WOMEN

At the close of year 2019-20, in NTC Group, there were 1664 women employees out the total 8774 employees. The overall percentage of women employees in NTC is 18.96%.

17. SC/ST POSITION IN RESPECT OF NTC GROUP AS ON 31.03.2020 WAS AS UNDER:

Group	Total no. of employees	No. of SC employees	% age of SC employees	No. of ST Employees	% age of ST Employees
A and B	383	70	18.27	6	1.56
C and D	8363	1194	14.27	112	1.33
D(S)	28	28	100	0	0.00
Total	8774	1292	14.72	118	1.34

18. PROGRESS IN USE OF HINDI

NTC has complied with the provisions of the Official Languages Act, 1963 and relevant rules during the year 2019-20. Every possible effort is being made for the continuous increase in the use of official language in the corporation and its subordinate offices.

Hindi Pakhwara was organized with full enthusiasm from 14.09.2019 to 28.09.2019 for the purpose of maintaining an inspirational, favorable environment for implementing the official language of the Union. In the workforce, many workshops/seminars, various competitions etc. were held for the years to encourage employees to encourage maximum use of ease in ease. A large number of officers and employees participated in these. Cash prizes and citations were provided to the employees as encouragement and motivation. A Hindi Kavi Sammelan (Recitation/Poet Convention) was also organized on 27.09.2019 at corporate office. In 2020, due to Covid-19 pandemic preventive declared nationwide by Govt. of India, the Hindi Pakhwara was organized in line with DoPT mandate from 14.09.2020 to 28.09.2020.

NTC’s Official Language Implementation work was inspected by the Third Sub-Committee of the Committee of Parliamentary on 18.01.2020. The Drafting & Evidence Sub-Committee of the Committee of Parliament on Official Language decided to have discussions with the Chairman of the Town Official Language Implementation Committees; NTC also attended the discussion programme on 17.11.2020.

Our unit mills under the SRO & WRO were inspected by the inspection team of Official Language Department of Ministry of Textiles and also HO, New Delhi has been inspected by the Ministry of Home Affairs, Department of Official Language, New Delhi (04.08.2020). We have also inspected our regional offices, SRO & WRO for the implementation of Official Language, as per Annual Programme.

Under the guidance of Head Office, both the regional offices have done an excellent work in Hindi. Southern Regional Office, Coimbatore and Western Regional Office, Mumbai has been awarded prizes last so many years by their respective Narakas.

19. PARTICULARS OF EMPLOYEES

The particulars of covered employees in pursuance of Section 134 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are “NIL”.

20. VIGILANCE ACTIVITIES

The Vigilance Division of the Corporation is playing a crucial role in achieving the goal of the organisation by safeguarding and protecting the interest of the Corporation. The Vigilance Division of NTC Limited and its Regional/Sub Offices, situated at various places all over India have created awareness amongst the employees on issues relating to combating the menace of corruption. In this regard, the guidelines issued by the Central Vigilance Commission from time to time are being circulated to all the concerned officials for information and strict compliance. Further necessary action was taken for the implementation of Systemic Improvement as suggested by CVC. The Structured Meeting between CVO & CMD is being held regularly on quarterly basis, and proceedings are communicated to Management and implementation. The vigilance part of NTC Website has regularly being updated, providing information about vigilance activities.

The 'Complaint Management System (CMS)' was implemented for monitoring of online complaints. The complaints received from various sources (CVC Portal) are being looked into and processed promptly as per the guidelines issued by CVC. The regular/surprise visits are being made by the Vigilance Officials in different units/offices of the Corporation. The Annual Property Returns etc. are being scrutinized on regular basis. Agreed list and ODI lists of employees are prepared regularly and submitted to Ministry.

As per instructions of CVC, Vigilance Awareness Week, 2019 was observed from 28.10.2019 to 2.11.2019 with the theme, "Integrity- A way of life". Programmes promoting Vigilance Awareness were held at Head Office, New Delhi and also at Coimbatore, Achalpur, Patna, Barshi, Nanded, Kanpur, Ahmedabad, Mumbai, Kolkata and Bhopal etc. As advised by CVC to increase the outreach of Vigilance Awareness amongst the youth of the nation, various events on Essays, Slogans Writing, Debates, Speech and Quiz Competitions were organized at 22 schools and 14 colleges. Workshops / Seminars / Talks on Vigilance related topics were organized by Vigilance Division of NTC Ltd. at Head Office, SRO, Coimbatore and WRO, Mumbai. A talk on 'Ethics, Integrity & Honesty' to all employees of NTC Head Office was delivered by Dr. V K Agnihotri (IAS 1968), Ex- Secretary General, Rajya Sabha. Awareness about Vigilance was also spread across Gram Sabhas as part of CVC VAW 2019.

During Vigilance Awareness Week, an online self learning quiz was conducted wherein, 304 employees of NTC Ltd. participated and were awarded certificates. More than 115 Articles and Slogans were submitted by NTC employees on topic of "Integrity- A way of life."

21.1 THE CHANGES IN THE BOARD OF DIRECTORS FROM PREVIOUS ANNUAL GENERAL MEETING TILL DATE IS GIVEN BELOW

(A) Directors ceased to exist :

Sh. Prem Kumar Kataria	-	01.05.2020
Smt. Bindu Sharma	-	21.07.2020

(B) Directors inducted on Board:

Sh. Inderpal Singh Sandhu	-	16.10.2020
Sh. Ashutosh Gupta	-	12.01.2021
Sh. Shashi Ranjan Kumar	-	05.05.2021

21.2 DETAILS OF DIRECTORS AND KMP APPOINTED AND RESIGNED DURING THE YEAR

S.N.	Name of the Director	Designation	Date of Appointment	Date of Cessation
1	Shri Nihar Ranjan Dash	Chairman & Managing Director	09.04.2019	-
2	Shri Vijoy Kumar Singh	Director (Govt. Nominee)	14.06.2019	-
3	Dr. Subhash Chandra Pandey	Director (Govt. Nominee)	-	14.06.2019

S.N.	Name of the Director	Designation	Date of Appointment	Date of Cessation
4	Shri Prem Kumar Kataria	Director (Govt. Nominee)	14.06.2019	-
5	Smt. Aditi Das Rout	Director (Govt. Nominee)	-	14.06.2019
6	Shri R.K. Sniha	Director (HR)	-	15.05.2019
7	Dr. Anil Gupta	Director (Finance) & KMP	-	28.11.2019
8	Smt. Bindu Sharma	Director (Finance)	01.12.2019	-
9	Sh. Anil B Joshi	Independent Director	-	29.01.2020
10	Smt. Anita Agarwal	Independent Director	-	29.01.2020
11	Sh. Devendra Daga	Independent Director	-	29.01.2020

22. Meetings of Board of Directors

During the financial year 2019-20, 5 (Five) Board Meetings were held in the Corporation as under:

No.	Meetings Nos.	Date
1	385	24.06.2019
2	386	19.08.2019
3	387	01.10.2019
4	388	18.11.2019
5	389	22.01.2020

23. Audit Committee Meetings

During the financial year 2019-20, 4 (Four) meetings of Audit Committee were held:

No.	Meetings Nos.	Date
1	67	23.06.2019
2	68	30.09.2019
3	69	14.10.2019
4	70	21.01.2020

24. During the financial year 2019-20, no Subsidiary Company came in existence or ceased.

25. There is no qualified opinion given to the company by the Statutory Auditors of the Company on the Standalone Annual Account. However Statutory Auditor has given qualified opinion on Consolidated Financial Statements of NTC as on 31.03.2020.

The comments of Comptroller and Auditor General (CA&G) of India and management reply thereto are enclosed as **Annexure-III**.

26. In pursuance of Companies Act 2013, your Board of Directors has appointed 'Chandra Wadhwa & Co.' as lead cost auditors to consolidate the Cost Audit Report of all working units for the year 2019-20.

27. SECRETARIAL AUDIT FOR THE FINANCIAL YEAR 2019-20

As per the criteria defined under section 204 of the Companies Act, 2013, the Secretarial Audit is applicable compulsorily to NTC. Accordingly, M/s. J.K. Gupta & Associates, Company Secretaries were appointed as Secretarial Auditors of the Company for the Financial Year 2019-20.

M/s. J.K. Gupta & Associates has given the Secretarial Audit Report in Form No. MR-3, under Rule 9 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, with some observations. The Secretarial Audit Report along with Management reply thereto is enclosed as **Annexure-IV**.

28. EXTRACT OF ANNUAL RETURN

The extract of Annual Return for the Financial Year ended on 31.03.2020, Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014, is enclosed in Form No. MGT-9, as **Annexure-V**.

29. INTERNAL FINANCIAL CONTROL

With respect to the adequacy of Internal financial Control over financial reporting of the company and the operating effectiveness of such controls, the reports are given by the Statutory Auditors of the company in their Auditors Report and Annexed at Annexure-‘2’ of the Independent Auditors Report.

30. CORPORATE GOVERNANCE

A report on compliance of Corporate Governance, as required under the guidelines on Corporate Governance for CPSEs, issued by the DPE, is enclosed as **Annexure –VI**, for perusal of the members.

A certificate issued by Sh. Nityanand Singh, Practicing Company Secretary, New Delhi regarding compliance of Corporate Governance, as stipulated in the guidelines issued by the DPE, is attached as **Annexure-VII**.

31. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Company has incurred net loss of ₹ 350.11 crores during F.Y. 2019-20 and incurred net loss of ₹ 310.22 crores during 2018-19. There was no fund allocation under CSR for the F.Y. 2019-20 as the Company had incurred losses as per computation of profits u/s 198 of the Companies Act 2013 for the purpose of eligible expenditure under CSR. However, company has spent ₹ 0.02 crores on the CSR Activities during the F.Y. 2018-19. Annual Report on CSR Activities is attached at **Annexure-VIII**.

32. PROCUREMENT FROM MSMEs DURING 2019-20

Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 and further amendment in Policy mandates 25% procurement of goods and services from MSEs out of total procurement and out of this 4% to be procured from MSEs owned by SC/ST entrepreneurs and 3% by women entrepreneurs.

The annual procurement from (MSEs) during 2019-20 is as under:

S.No.	Particulars	Value (₹ in Lakhs)	% of total procurement
1.	Total Annual Procurement	3665.90	100%
2.	Total value of goods & services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	1576.76	43.01%
3.	Total value of goods & services procured from only MSEs owned by SC/ST entrepreneurs	30.11	0.82%
4.	Total value of goods & services procured from only MSEs owned by women entrepreneurs	206.20	5.62%

33. RISK MANAGEMENT & MITIGATION POLICY

Your company has formulated a Risk Management and Mitigation Policy which was approved in 354th meeting of Board of Directors held on 26th February, 2015.

34. PHYSICAL VERIFICATION OF TRAINING CENTRES UNDER FLAGSHIP SKILL DEVELOPMENT SCHEME- SAMARTH

NTC as Physical Verification Agency (PVA) completed verification of allotted 296 training centers for infrastructure including evaluation of training centers’ capacity for target allocation as per the course-wise criteria defined by RSA.

35. POLICY ON SEXUAL HARASSMENT

As per guidelines have been issued by the Government / DPE, the Sexual Harassment Committees constituted in NTC and the same are functioning. All employees (Permanent, Contractual, Temporary and Trainees) are covered under this policy.

36. RIGHT TO INFORMATION ACT, 2005

In accordance with the instructions received from the Ministry of Textiles, Government of India, New Delhi, based on the guidelines issued by the Ministry of Personnel, Public Grievances and Pensions, your Corporation has taken action regarding compilation/publishing of manuals, appointments of Central Assistant Public Information Officers, framing the rules for giving effect to the provisions of the Act and internal procedures to streamline the channel for dealing with requests received by each Central Public Information Officer.

During the period from 1st April, 2019 to 31st March, 2020, 113 requests were received from different applicants. In all the cases information was made available to the applicant. 24 applicants preferred for the First Appeal before the Appellate Authority and 8 applicants made Second Appeal with Central Information Commission (CIC) and orders passed by CIC in favour of the Corporation.

The Quarterly Report of RTI is being uploaded regularly on the website of the Corporation as well as on the website of Central Information Commission (CIC) as instructed by the Ministry of Textiles vide its letter dated 8th June, 2011.

37. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm:

- I) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II) They have selected such accounting policies and applied them consistently and made judgements 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 profits of the Company for that period.
- III) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV) They have prepared the annual accounts on a going concern basis.
- V) They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively.
- VI) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

38. COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, the company complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

39. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the cooperation and support extended by Ministry of Textiles, the State Governments, Comptroller & Auditor General of India, Internal Auditors, and Branch Auditors, Cost Auditors, Bankers, Financial Institutions and valued customers. Directors gratefully acknowledge valuable suggestions and guidance given by the Statutory Auditors - M/s. Bansal R. Kumar & Associates, Chartered Accountants, New Delhi.

Directors also thank all the officers, employees and workers for their whole hearted support and co-operation.

For and on behalf of the Board
Sd/-

(Ashutosh Gupta)

Chairman & Managing Director

Place: New Delhi

Dated: 27.07. 2021

FORM NO. AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ In Lakhs)

(₹ in Lakh)

Sl. No	Name of Subsidiary Reporting period for the subsidiary concerned	
1.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	
2.	Share Capital	
3.	Reserves & Surplus	
4.	Total Assets	
5.	Total Liabilities	
6.	Investment	
	Turnover	
	Profit before Taxation	
	Provision for Taxation	
	Profit after Taxation	
	Proposed Dividend (NTC Share)	
	% of shareholding	

Note :-

NTC is having 17,18,344 shares (97.91%) in Swadeshi Mining & Manufacturing Limited but the accounts of this subsidiary company could not be consolidated due to non finalization of accounts since 1999-2000. The company was under liquidation and the matter is still sub-judice.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Name of Associates/Joint Ventures:

(Information in respect of each Associate/Joint Venture to be presented with amounts in ₹ In Lakhs)

Sl. No	Name of Associates / Joint ventures	Swadeshi Polytex Limited	Apollo Design Apparel Parks Ltd.	Goldmohar Design & Apparel Parks Ltd.	India United Textile Mills Ltd.	New City of Bombay Mfg. Mills Ltd.	Aurangabad Textile & Apparel Parks Ltd.
1.	Latest audited Balance Sheet Date	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
2.	Share of Associate/Joint Ventures held by the company on the year end						
	i) No. of Shares	1,31,17,500	2,881,500	2,983,500	6,482,610	4,676,700	1,060,800
	ii) Amount of Investment in Associates/Joint Venture	145.42	288.15	298.35	648.261	467.67	106.08
	iii) Extend of Holding %	33.63%	51.00%	51.00%	51.00%	51.00%	51.00%
3.	Description of how there is significant influence	33.63% shareholder	51.00% shareholder	51.00% shareholder	51.00% shareholder	51.00% shareholder	51.00% shareholder
4.	Reason why the associate/Joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5.	Net Worth attributable to Shareholding as per latest audited Balance Sheet	Negative	Positive	Positive	Positive	Positive	Positive
6.	Profit / Loss for the year	1,184.88	1,035.06	854.44	1,008.20	(129.54)	(76.35)
	i) Considered in Consolidation	398.53	527.88	435.76	514.18	(66.07)	(38.94)
	ii) Not Considered in Consolidation	786.35	507.18	418.68	494.02	(129.54)	(76.35)

Annexure - II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: - NIL

2. Details of contracts or arrangements or transactions at Arm's length basis:-

₹ in Lakh

Sl. No	Name of related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of contracts/ arrangements / transactions, including the value if any	Salient terms of contracts/ arrangements/ transactions, including the value if any	Date of approval by the BoD, if any	Amount paid as advance, if any
1.	Apollo Design App Parks Ltd & Joint Venture	Dividend paid Rent received / receivable Other transaction	158.48 .001 .07188	NA	NA	Nil
2.	Goldmohur Design & App Parks Ltd Joint Venture	Dividend paid Rent received / receivable Other transaction	164.09 .001 .0719	NA	NA	Nil
3.	Aurangabad Textiles & App. Parks Ltd. Joint Venture	Rent received/ receivable Other transaction	.001 .03053	NA	NA	Nil
4.	India United Textiles Mills Ltd. Joint Venture	Rent received/ receivable Other transaction	.001 .03053	NA	NA	Nil
5.	New city of Bombay Mfg. Mills Ltd. Joint Venture	Dividend paid Rent received / receivable Other transaction	340.34 .001 .03053	NA	NA	Nil
6.	Swadeshi Mining & Mfg. Co. Ltd. Associate	Other transactions	186.394	NA	NA	Nil

Annexure - III

Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Standalone financial statements of National Textile Corporation Limited for the year ended 31 March 2020 and Managements Reply to the comments is as under:-

S.No.	CAG Comments	Management Reply
1.	<p>A. Cash Flow Statement</p> <p>Para 45 of Indian Accounting Standard (Ind AS) - 7 stipulates that “An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet”. Presently, instead of showing the components of cash and cash equivalents and reconciliation of the amount in the statement of cash flow, only the note number of Notes to Financial Statements has been linked, which is not in compliance with the above-mentioned stipulation.</p>	<p>Component of Cash and Cash Equivalents has been disclosed in note no. 12 of the financial statements. Reference of the same has appropriately been provided in the Cash flow statements. Disclosing the same information again in Cash flow statements will result into repetition of the information in the financial statements.</p> <p>Further, the comment by the CAG does not have any impact over either profitability or revenue or disclosure in the financial statements and all the information required as per Ind AS has been appropriately disclosed. Hence, there is no non-compliance of Ind AS 7.</p> <p>However, NTC will disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet from next year onwards as required by CAG.</p>
2.	<p>C. Others</p> <p>Company's financial statements disclose in note 33.24, the nature of the amount (₹ 120.27 crore) booked as claims receivable, being receivable from Government of India under section 5 (2) of the Textile Undertakings (Nationalization) Act, 1995.</p> <p>Government of India (GOI), vide Textile Undertakings (Taking Over of Management) Act, 1983, took over the management of 13 sick Textile Undertakings with effect from October 1983 and further transferred these undertakings to National Textile Corporation vide the Textile Undertakings (Nationalization) Act, 1995 with</p>	<p>NTC is in regular communication with Ministry of Textiles for resolving the matter at the earliest.</p>

S.No.	CAG Comments	Management Reply
	<p>effect from April 1994. Section 5(2)(e) of the Textile Undertakings (Nationalization) Act, 1995 stipulates that, “any liability arising in respect of wages, salaries, and other dues of employees of the Textile Undertaking, in respect of any period after the management of such undertaking had been taken over by the Central Govt, shall on and from the appointed day, be the liability of Central Government and shall be discharged for or on behalf of that Government by the National Textile Corporation as and when such wages, salaries and other dues become due and payable”.</p> <p>In view of the above, the National Textile Corporation has booked an amount of ₹ 120.27 crore (till 31 March 2020) as claim receivables from Central Government relating to wages, salaries, gratuity and other dues of the employees of 13 Textile Undertakings pertaining to the period 18.10.1983 to 31.03.1994. The matter has been under correspondence between NTC and GOI for several years. In 2005, Ministry of Textiles stated that all working capital loans (wage shortfall) to NTC are actually funds released by Government of India from Budget provisions and therefore, the liabilities of Central Government, discharged by subsidiaries of NTC Ltd, on behalf of Central Government, may not be liable for reimbursement by the Central Government. This stand was further reiterated by Ministry of Textiles in 2006.</p> <p>Accordingly, in FY 2010-11, the Company created provision towards above receivables. However, NTC took up the matter again with Ministry of Textiles in November 2011. Based on correspondence made by NTC with Ministry of Textiles and based on the opinion received from an independent Chartered Accountant firm, NTC reversed the provision so created in FY 2015-16.</p>	

S.No.	CAG Comments	Management Reply
	<p>In October 2016, Ministry of Textiles took up the matter again with Ministry of Finance endorsing NTC's claim and seeking reimbursement to the amounts paid/ incurred and responded to (April 2017) clarifications sought (February 2017) by Ministry of Finance. NTC has followed up this correspondence in December 2018, June 2019, December 2020 and May 2021. A confirmation on the claims receivable is yet to be received from Ministry of Finance.</p> <p>The matter was judged significant in Audit as the issue needs to be resolved expeditiously.</p>	

S.No.	CAG Comments	Auditor Reply
3.	<p>B. Annexure I to the Independent Auditor's Report</p> <p>B.1 Para no. 3(vii)(b) of Companies Auditors' Report Order (CARO), 2016 stipulates that "Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value-added tax have not been deposited on account of any dispute, then the amounts involved and the forum where the dispute is pending shall be mentioned." Independent Auditor did not comply with the said provision of CARO as detailed below: -</p> <ul style="list-style-type: none"> Details of disputed statutory dues, which have not been deposited as on 31 March 2020 mentioned in Para 7 (b) of Annexure I to Independent Auditor's Report did not include disputed Income tax demand of ₹ 22.48 crore pertaining to the Assessment year 2013-14 pending in High Court. The amount of disputed income tax demand of ₹ 4.55 lakh pending before Income Tax Authorities was incorrectly mentioned as ₹ 4.46 lakh. The names of specific Forums where disputes are pending were not mentioned. <p>B.2 Companies Auditors Report Order, 2016 requires that the auditor's report on the accounts of a company shall include a statement on the following matters, namely: 3 (i) (c) "whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof". However, the Statutory Auditor has not included the list of immovable properties not held in the name of the Company, but only made reference to Notes 33.16 to 33.22 of Notes to accounts in the Independent Auditor's Report. Hence, the Report of Independent Auditor is deficient to that extent.</p>	<p>Point No-B.1 The income tax demand of ₹ 22.48 crores relating A/Y 2013-14 is not payable in the opinion of management on account of various order of BIFR. However, we will include the same in our report for next year.</p> <p>Regarding another liability shown as ₹ 4.46 lacs instead of ₹ 4.55 lacs is a typographical error with minimal effect. However, we will correct the same in our report for next year.</p> <p>Wherever available names of specific forums were mentioned and where not available the same was shown as various forums. However, we will ask the company next year to obtain the names of the forums from their branches so that the same can be reported in the audit report at HO.</p> <p>Point B.2 The list of immovable properties not held in the name of the company is available in Notes to accounts from Note 33.16 to 33.22. The reference for the same is properly given in the auditor's report. Hence, we did not see any requirement of repeating the same information again. However, we will include the list in our report next year.</p>

Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Consolidated financial statements of National Textile Corporation Limited for the year ended 31 March 2020 and Managements Reply to the comments is as under:-

S.No.	CAG Comments	Management Reply
1.	<p>A. Cash Flow Statement</p> <p>Para 45 of Indian Accounting Standard (Ind AS) - 7 stipulates that “An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet”. Presently, instead of showing the components of cash and cash equivalents and reconciliation of the amount in the statement of cash flow, only the note number of Notes to Financial Statements has been linked, which is not in compliance with the above-mentioned stipulation.</p>	<p>As informed to CAG, Component of Cash and Cash Equivalents has been disclosed in note no. 12 of the financial statements. Reference of the same has appropriately been provided in the Cash flow statements. Disclosing the same information again in Cash flow statements will result into repetition of the information in the financial statements.</p> <p>Further, the comment by the CAG does not have any impact over either profitability or revenue or disclosure in the financial statements and all the information required as per Ind AS has been appropriately disclosed. Hence, there is no non-compliance of Ind AS 7.</p> <p>However, NTC will disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet from next year onwards as required by CAG.</p>
2.	<p>B. Others</p> <p>Company's financial statements disclose in note 33.24, the nature of the amount (₹ 120.27 crore) booked as claims receivable, being receivable from Government of India under section 5 (2) of the Textile Undertakings (Nationalization) Act, 1995.</p> <p>Government of India (GOI), vide Textile Undertakings (Taking Over of Management) Act, 1983, took over the management of 13 sick Textile Undertakings with effect from October 1983 and further transferred these undertakings to National Textile Corporation vide the Textile Undertakings (Nationalization) Act, 1995 with effect from April 1994. Section 5(2)(e) of the Textile Undertakings (Nationalization) Act, 1995 stipulates that, “any liability arising in respect of wages, salaries, and other dues of employees of the Textile Undertaking, in respect</p>	<p>NTC is in regular communication with Ministry of Textiles for resolving the matter at the earliest.</p>

S.No.	CAG Comments	Management Reply
	<p>of any period after the management of such undertaking had been taken over by the Central Govt, shall on and from the appointed day, be the liability of Central Government and shall be discharged for or on behalf of that Government by the National Textile Corporation as and when such wages, salaries and other dues become due and payable”.</p> <p>In view of the above, the National Textile Corporation has booked an amount of ₹ 120.27 crore (till 31 March 2020) as claim receivables from Central Government relating to wages, salaries, gratuity and other dues of the employees of 13 Textile Undertakings pertaining to the period 18.10.1983 to 31.03.1994. The matter has been under correspondence between NTC and GOI for several years. In 2005, Ministry of Textiles stated that all working capital loans (wage shortfall) to NTC are actually funds released by Government of India from Budget provisions and therefore, the liabilities of Central Government, discharged by subsidiaries of NTC Ltd, on behalf of Central Government, may not be liable for reimbursement by the Central Government. This stand was further reiterated by Ministry of Textiles in 2006.</p> <p>Accordingly, in FY 2010-11, the Company created provision towards above receivables. However, NTC took up the matter again with Ministry of Textiles in November 2011. Based on correspondence made by NTC with Ministry of Textiles and based on the opinion received from an independent Chartered Accountant firm, NTC reversed the provision so created in FY 2015-16.</p> <p>In October 2016, Ministry of Textiles took up the matter again with Ministry of Finance endorsing NTC's claim and seeking reimbursement to the amounts paid/incurred and responded to (April 2017) clarifications sought (February 2017) by Ministry of Finance. NTC has followed up this correspondence in December 2018, June 2019, December 2020 and May 2021. A confirmation on the claims receivable is yet to be received from Ministry of Finance.</p> <p>The matter was judged significant in Audit as the issue needs to be resolved expeditiously.</p>	

J. K. GUPTA & ASSOCIATES

COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

National Textile Corporation Limited

Scope Complex, Core IV, 7, Lodhi Road

New Delhi-110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Textile Corporation Limited (hereinafter called NTC /the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the NTC Limited's books, papers, minutes 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 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, minutes books, forms, and returns filed, and other records maintained by the company for the financial year ended on 31st March, 2020 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 to the Company during the Audit Period]**
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Not applicable to the Company during the Audit Period]**
- (iv) 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 to the Company]**




- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **[Not applicable to the Company]**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable to the Company]**
- (d) 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 to the Company]**
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable to the Company]**
- (t) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **[Not applicable to the Company]**

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 with Bombay Stock Exchange and National Stock Exchange; **[Not applicable to the Company]**
- (iii) DPE Guidelines on Corporate Governance for CPSEs.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **subject to the following observations:**

1. ***Compliance of Clause 3.3.1 of the DPE Guideline on Corporate Governance for Central Public Sector Enterprise with respect to the time gap between the two meeting of the Board members should not be more than three months. Whereas the time gap between 384th and 385th Board meeting exceeded three months. However, the company has complied with the provisions of the Companies Act, 2013 in this regard.***
2. ***On few occasions, the company has not in Compliance of Clause 7.4 of the Secretarial Standard (SS-I) on meeting of Board of Directors issued by the Institute of Company Secretaries of India with respect to circulation of Draft minutes to all the members of Board within 15 days from the conclusion of the Board Meeting.***
3. ***Compliance of Clause 5.1 of DPE guideline on Corporate Governance for Central Public Sector Enterprise and Section 178 of the Companies Act, 2013 read with applicable rules, with respect to Constitution of Remuneration Committee. However, the Company has explained to us that, the same is not required due to non- implementation of annual bonus / variable pay pool.***
4. ***Compliance of Section 135 of the Companies Act, 2013 read with applicable rules, with respect to constituting the Corporate Social Responsibility (CSR) committee. The company had duly constituted the CSR committee and conducted the requisite number, of meeting in the Reporting period till 29th January, 2020.***

However, pursuant to the order passed by an Administrative Ministry regarding the expiry of the tenure of three non-official Independent Directors on Board (Members of CSR Committee) w.e.f 29th January, 2020, the number of Independent Director fall below the requisite limit due to which the



Board was unable to constitute CSR Committee^ which leads to noncompliance composition of CSR Committee with effect from 30th January 2020 onwards.

5. **Compliance of Section 177 of the Companies Act, 2013 read with applicable rules and DPE guidelines on Corporate Governance for Central Public Sector Enterprise, with respect to constitution of Audit Committee. NTC had fulfilled all the obligation with respect to composition of Audit committee, code of conduct as well as number of meeting of committee required to conduct in Financial Year 2019-2020 till 29th January, 2020.**

However, pursuant to the order passed by an Administrative Ministry regarding the expiry of the tenure of three non-official Independent Directors on Board (Members of Audit Committee) w.e.f. 29th January, 2020, the number of Independent Director fall below the requisite limit due to which the Board was unable to constitute Audit Committee, which leads to noncompliance composition of Audit Committee with effect from 30th January 2020 onwards.

6. **Compliance of Section 184 of the Companies Act, 2013, read with applicable rules made thereunder, with respect to disclosure from the Directors about their concerns or interest in other entities. The Company has received the Disclosure from Directors about "their concern or interest in other entities except one director.**
7. **Compliance of Clause 6.1 of DPE guidelines, At least one Independent Director on the Board of the company shall be a Director on the Board of Director of its Subsidiary Company. However, NTC has not elected any such Director for the Board of its Subsidiary Companies.**

We further report that:

The Board of Directors of the company is duly constituted with proper balance of Executive Director, Non- Executive Director, and Independent Director. The change in composition of the Board of Director that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice, agenda and detailed notes on agenda is given to all Directors to schedule the Board Meetings, 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 from whole time directors.

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



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 J. K. Gupta & Associates

Place: New Delhi

Date: 21.12.2020

  **Jitesh Gupta**
Company Secretary
FCS No. 3978
C P No. 2448
UDIN: F003978B001491959

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

Annexure - A

To,

The Members,

National Textile Corporation Limited

Scope Complex, Core IV, 7, Lodhi Road

New Delhi-110003

Our Secretarial Audit Report for the Financial year ended on March 31st, 2020 is to be read along with this letter.

1. Maintenance of secretarial record 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 relied on the Internal Auditors' Report for the period under review; hence we have verified the correctness and appropriateness of Statutory Compliances of the Company on sample basis. The qualifications/Observations mentioned in their Audit report also forming part of this report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. We have relied on the information provided by the company and its officers related to the following :
 - Statutory Registers were kept open for public inspection during working hours on all working days.
 - No show- cause notice has been received by the Company under the Acts referred in our report or any other laws applicable on the Company.
 - The entries in the Statutory Registers were made within the prescribed time.
 - There is no pending litigation and claims other than reported in the Balance Sheet by way of contingent liability.
 - No event, other than reported to us specifically, has occurred during the year which has a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.
6. We have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
7. 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.
8. 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 J. K. Gupta & Associates

Place: New Delhi

Date: 21.12.2020



Jitesh Gupta

Company Secretary

FCS No. 3978

C P No. 2448

UDIN: F003978B001491959

Observations of Secretarial Auditors M/s J.K. Gupta & Associates, Delhi in their Secretarial Audit Report (Form No MR-3) for the Financial Year ended on 31st March 2020 vis-a-vis Management's Reply thereon.

Sl. No	Observations	Managements' Reply
1	<p>Compliance of Clause 3.3.1 of the DPE Guideline on Corporate Governance for Central Public Sector Enterprise with respect to the time gap between the two meeting of the Board members should not be more than three months. Whereas the time gap between 384th and 385th Board meeting exceeded three months.</p> <p>However, the Company has complied with the provisions of the Companies Act 2013 in this regard.</p>	<p>Though the time was exceeded due to some practical problems, prescribed marks were deducted for non compliance of this clause in the Quarterly/Annual self assessment report as formulated by DPE, which is submitted to DPE through Administrative Ministry. Notwithstanding, there has been "Excellent" rating for Corporate Governance in NTC for the F.Y.2019-20 published by DPE in the month of December 2020 for all the PSUs.</p>
2	<p>On few occasions, the Company has not in Compliance of Clause 7.4 of the Secretarial Standard (SS-I) on meeting of Board of Directors issued by the Institute of Company Secretaries of India with respect to circulation of Draft minutes to all the members of Board within 15 days from the conclusion of the Board Meeting.</p>	<p>The minutes were circulated after 15 days on few occasions on account of procedural delays in pre-approval of minutes.</p>
3	<p>Compliance of Clause 5.1 of DPE guideline on Corporate Governance for Central Public Sector Enterprise and Section 178 of the Companies Act, 2013 read with applicable rules, with respect to Constitution of Remuneration Committee. However, the Company has explained to us that, the same is not required due to non-implementation of annual bonus/variable pay pool.</p>	<p>No reply is required since explanation is already covered in observation.</p>
4	<p>Compliance of Section 135 of the Companies Act, 2013 read with applicable rules, with respect to constituting the Corporate Social Responsibility (CSR) committee. The company had duly constituted the CSR committee and conducted the requisites number of meeting in the Reporting period till 29th January, 2020.</p> <p>However, pursuant to the order passed by an Administrative Ministry regarding the expiry of the tenure of three non-official Independent Directors on Board (Members of CSR Committee) w.e.f. 29th January, 2020, the number of Independent Director fall below the requisite limit due to which the Board was unable to constitute CSR Committee, which leads to non compliance composition of CSR Committee with effect from 30th January 2020 onwards.</p>	<p>Company was in compliant with the Act upto January, 2020. However, all the three Independent Directors ceased to be on the Board w.e.f 29.01.2020 on completion of their tenure. As such, Company is now awaiting the appointment of non-official Independent Directors by the Govt of India. Once the appointment is made, the CSR Committee will be reconstituted suitably. However, it may be mentioned here that there was no mandatory requirement of budget allocation towards CSR for the F.Y. 2019- 20 as there was no average profit based on last 3 Years financial results.</p>

Sl. No	Observations	Managements' Reply
5	<p>Compliance of Section 177 of the Companies Act, 2013 read with applicable rules and DPE guidelines on Corporate Governance for Central Public Sector Enterprise, with respect to constitution of Audit Committee. NTC had fulfilled all the obligation with respect to composition of Audit committee, code of conduct as well as number of meeting of committee required to conduct in Financial Year 2019-2020 till 29th January, 2020.</p> <p>However, pursuant to the order passed by an Administrative Ministry regarding the expiry of the tenure of three non-official Independent Directors on Board (Members of Audit Committee) w.e.f. 29th January, 2020, the number of Independent Director fall below the requisite limit due to which the Board was unable to constitute Audit Committee, which leads to non compliance composition of Audit Committee with effect from 30th January 2020 onwards.</p>	<p>Company was in compliant with the Act upto January, 2020. However, all the three Independent Directors ceased to be on the Board w.e.f 29.01.2020 on completion of their tenure. As such, Company is now awaiting Independent Directors by the Govt of India. Once the appointment is made, the Audit Committee will be reconstituted suitably. However, Considering the above practical difficulty, Board in its 391st meeting held on 09.10.2020 has decided that in the present circumstances constitution of the Audit Committee may be kept in abeyance for the time being until more representations in the Company Board. Till such time, the matter required to be placed before the Audit Committee may directly be placed before the Board.</p>
6	<p>Compliance of Section 184 of the Companies Act, 2013, read with applicable rules made there under, with respect to disclosure from the Directors about their concerns or interest in other entities. The Company has received the Disclosure from Directors about their concern or interest in other entities except one director.</p>	<p>One such instance happened. Disclosure in MBP-1 was sought; however; inspite of best efforts made, the same could not be received.</p>
7	<p>Compliance of Clause 6.1 of DPE guidelines, at least one Independent Director on the Board of the Company shall be a Director on the Board of Director of its Subsidiary Company. However, NTC has not elected any such Director for the Board of its subsidiary Companies.</p>	<p>The requirement of appointing Independent Director as per Clause 6.1 arose only in respect of one out of five subsidiaries viz. Goldmohur Design and Apparel Parks Limited having turnover marginally higher than 20 % (21.34%) of turnover of NTC (Holding Co.) for FY 2018-19. Since, the above subsidiary is also an unlisted JV Company, has exemption from the requirement of appointing Independent Director in pursuance to Notification dated 05.07.2017 issued by the Ministry of Corporate Affairs. Notwithstanding 1 mark as prescribed by DPE not being claimed in the self assessment report for the same.</p>

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2020
of
National Textile Corporation Limited

[Pursuant to Section 92(3) of the Companies Act, 2013]

and

[Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

I) REGISTRATION & OTHER DETAILS

i	CIN	U74899DL1968GOI004866
ii	Registration Date	01.04.1968
iii	Name of the Company	NATIONAL TEXTILE CORPORATION LTD.
iv	Category/Sub-category of the Company	Public / Govt. Company
v	Address of the Registered office & contact details	SCOPE COMPLEX, COREIV, 7 LODHI ROAD, NEW DELHI INDIA 110003
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Spinning, Weaving and finishing of textiles	131	100%

III) PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Apollo Design & Apparel Parks Ltd.	U17291MH2007GOI195397	*Joint Venture	51	2(6)
2	Aurangabad Textile & Apparel Parks Ltd.	U17121MH2007GOI195403	*Joint Venture	51	2(6)
3	Goldmohur Design & Apparel Parks Ltd.	U17291MH2007GOI195402	*Joint Venture	51	2(6)
4	India United Textile Mills Ltd.	U17291MH2007GOI195489	*Joint Venture	51	2(6)
5	New City of Bombay Mfg. Mills Ltd.	U17291MH2007GOI195493	*Joint Venture	51	2(6)
6**	Swadeshi Mining & Manufacturing Co. Limited	U17111UP1943PLC003932	Subsidiary	97.91	2(87)
7	Swadeshi Polytex Ltd.	L25209UP1970PLC003320	Associate	33.63	2(6)

* These companies were disclosed as subsidiaries companies for FY 2018-19, however considering opinion of Expert Advisory Committee of ICAI, the same have been disclosed as Joint Venture Companies in FY 2019-20.

** The company is under liquidation and the matter is still sub-judice.

IV) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF									
b) Central Govt.	Nil	30548825	30548825	99.762	Nil	30548825	30548825	99.762	Nil
c) State Govt.									
d) Bodies Corporates									
e) Bank/FI									
f) Any other									
Sub Total (A) (1)	Nil	30548825	30548825	99.762	Nil	30548825	30548825	99.762	Nil
2. Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
Sub Total (A) (2)									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	Nil	30548825	30548825	99.762	Nil	30548825	30548825	99.762	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central govt									
d) State Govt.	Nil	72776	72776	0.238	Nil	72776	72776	0.238	Nil
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub Total (B)(1):	Nil	72776	72776	0.238	Nil	72776	72776	0.238	Nil
2. Non Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs									
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs									
c) Others (specify)									
Sub Total (B)(2):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)= (B)(1)+(B)(2)	Nil	72776	72776	0.238	Nil	72776	72776	0.238	Nil
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	Nil	30621601	30621601	100	Nil	30621601	30621601	100	Nil

ii) Shareholding of Promoters

SL No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The President of India	30548819	99.762	Nil	30548819	99.762	Nil	Nil
2*	Dr. Subhash Chandra Pandey, Special Secretary, Ministry of Textiles, New Delhi	1		Nil	0		Nil	Nil
3*	Shri Vijoy Kumar Singh, Additional Secretary, Ministry of Textiles, New Delhi	0		Nil	1		Nil	Nil
4#	Smt. Aditi Das Rout, Trade Advisor, Ministry of Textiles, New Delhi	1		Nil	0		Nil	Nil
5#	Shri Prem Kumar Kataria, Special Secretary, Ministry of Textiles, New Delhi	0		Nil	1		Nil	Nil
6^	Shri S.R. Gaikwad, Director, Ministry of Textiles, New Delhi	1		Nil	0		Nil	Nil
7^	Shri Kumar Padmapani Bora, Dy. Secretary, Ministry of Textiles, New Delhi	0		Nil	1		Nil	Nil
8@	Shri A.K. Sharma, Dy. Secretary (IFW), Ministry of Textiles, New Delhi	1		Nil	0		Nil	Nil
9@	Shri Dipankar Dutta, Dy. Secretary,(IFW), Ministry of Textiles, New Delhi	0		Nil	1		Nil	Nil
10\$	Shri C. Chinnapa, Director, Ministry of Textiles, New Delhi	1		Nil	0		Nil	Nil
11\$	Smt. Sherry Lal Tangzo, Economic Advisor, Ministry of Textiles, New Delhi	0		Nil	1		Nil	Nil
12	Dr. Shakuntala, Chief Controller of Accounts, Ministry of Textiles, New Delhi	1		Nil	1		Nil	Nil
	Total	30548825	99.762	Nil	30548825	99.762	Nil	Nil

*1 Share was transferred from Dr. Subhash Chandra Pandey to Shri Vijoy Kumar Singh w.e.f. 01.10.2019.

1 Share was transferred from Smt. Aditi Das Rout to Shri Prem Kumar Kataria w.e.f. 01.10.2019.

@ 1 Share was transferred from Shri A.K. Sharma to Shri Dipankar Dutta w.e.f. 01.10.2019.

^ 1 Share was transferred from Shri S.R. Gaikwad to Shri Kumar Padmapani Bora w.e.f. 28.02.2020.

\$ 1 Share was transferred from Shri C. Chinnapa to Smt. Sherry Lal Tangzo w.e.f. 28.02.2020.

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

SL No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

SL No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	The Governor, State Govt. of Uttar Pradesh				
	At the beginning of the year	16928	0.055	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	16928	0.055	-	-
2	The Governor, State Govt. of Odisha				
	At the beginning of the year	800	0.003	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	800	0.003	-	-

SL No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	The Governor, State Govt. of West Bengal				
	At the beginning of the year	24600	0.080	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	24600	0.080	-	-
4	The Governor, State Govt. of Bihar				
	At the beginning of the year	2668	0.009	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	2668	0.009	-	-
5	The Governor, State Govt. of Karnataka				
	At the beginning of the year	9450	0.030	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	9450	0.030	-	-
6	The Governor, State Govt. of Andhra Pradesh				
	At the beginning of the year	2397	0.008	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	2397	0.008	-	-
7	The Lt. Governor, Govt. of Puducherry				
	At the beginning of the year	500	0.002	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	500	0.002	-	-

SL No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	The Lt. Governor, Govt. of NCT of Delhi				
	At the beginning of the year	8348	0.027	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	8348	0.027	-	-
9	The Governor, State Govt. of Rajasthan				
	At the beginning of the year	4585	0.015	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	4585	0.015	-	-
10	The Governor, State Govt. of Punjab				
	At the beginning of the year	2500	0.008	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	2500	0.008	-	-

v) Shareholding of Directors and Key Managerial Personnel:

SI No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):				
	At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	66.70	27,000.00	1929.18	28995.88
ii) Interest due but not paid	-	49142.98	-	49142.98
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	66.70	76142.98	1929.18	78138.86
Change in Indebtedness during the financial year				
Addition	6.89	4683.75	-	4690.64
Reduction	-	-	(50.10)	(50.10)
Net Change	6.89	4683.75	(50.10)	4640.54
Indebtedness at the end of the financial year				
i) Principal Amount	73.59	27,000.00	1879.08	28952.67
ii) Interest due but not paid	-	53826.73	-	53826.73
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	73.59	80826.73	1879.08	82779.40

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

- Shri Nihar Ranjan Dash (Being JS, MoT, GOI, on Temporary Charge as CMD, NTC, hence no remuneration paid)#

SI No	Particulars of Remuneration	Name of MD/WTD/ Manager Shri Nihar Ranjan Dash (CMD)				Total Amount in ₹
		-----	-----	-----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify					
5	Others, please specify					
	Total (A1)					Nil
	Ceiling as per the Act					NA

Held the position of CMD from 09.04.2019

- Shri R.K. Sinha, Director(HR) #

SI No	Particulars of Remuneration	Name of MD/WTD/ Manager Shri R.K. Sinha, Director(HR)				Total Amount in ₹
		-----	-----	-----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					5,27,948
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					*8,100
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					

2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	- others, specify					
5	Others, please specify					
	Total (A2)					5,36,048
	Ceiling as per the Act					NA

*Over exempted Medical Reimbursement of ₹ 15000.

Ceased to be Director on 15.05.2019

3. Dr. Anil Gupta, Director(Finance)#

SI No	Particulars of Remuneration	Name of MD/WTG/ Manager Dr. Anil Gupta, Director (Finance)				Total Amount in ₹
		-----	-----	-----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					16,88,782
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					*3,62,034
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	- others, specify					
5	Others, please specify					
	Total (A3)					20,50,816
	Ceiling as per the Act					NA

*Over exempted Medical Reimbursement of ₹ 15000.

Ceased to be Director on 28.11.2019

4. Smt. Bindu Sharma, Director (Finance) (being CMD, HHEC, on additional charge as DF, NTC, w.e.f 01.12.2019 hence no remuneration paid)#

SI No	Particulars of Remuneration	Name of MD/WTG/ Manager Smt. Bindu Sharma, Director (Finance)				Total Amount in ₹
		-----	-----	-----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					

3	Sweat Equity					
4	Commission - as % of profit - others, specify					
5	Others, please specify					
	Total (A4)					Nil
	Ceiling as per the Act					NA

Ceased to be Director on 21.07.2020

B. Remuneration to other directors

SI No	Particulars of Remuneration	Name of Directors			Total Amount in ₹
1	Independent Directors	Shri Anil B. Joshi	Shri Devendra Daga	Smt. Anita Agarwal	
	Fee for attending board/ committee meetings	2,40,000	2,40,000	2,16,000	6,96,000
	Commission				
	Others, please specify				
	Total (1)	2,40,000	2,40,000	2,16,000	6,96,000
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings				
	Commission				
	Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	2,40,000	2,40,000	2,16,000	6,96,000
	Total Managerial Remuneration = A(A1+A2+A3+A4) + B				32,82,864
	Overall Ceiling as per the Act				NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(in ₹)

SI No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Shri Pankaj Agarwal	CFO*	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,87,811	-	26,87,811
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	**1,81,669		1,81,669
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		

2	Stock Option	-		
3	Sweat Equity	-		
4	Commission	-		
	- as % of profit	-		
	others, specify	-		
5	Others, please specify	-		
	Total	28,69,480		28,69,480

* Dr. Anil Gupta, Ex-Director (Finance) being CFO for the purpose of KMP, the remuneration details already given in point no. (VI)A, hence not repeated.

**Over exempted Medical Reimbursement of ₹ 15000.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding	96	*	*	Regional Director, NCT of Delhi & Haryana	*
B. DIRECTORS					
NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
NIL					
Penalty					
Punishment					
Compounding					

*The Company has filed an application with Regional Director, NCT of Delhi & Haryana on 18.03.2020, vide Form GNL 1, under section 441 of the Companies Act, 2013 for compounding of offence under Section 96 of the Companies Act, 2013; the same is yet to be heard by the Regional Director, Northern Region.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy:

Corporate Governance is for ensuring values, ethical business conduct, transparency, disclosures as per laws, rules and guidelines. National Textile Corporation Limited (NTC) is committed to observe Corporate Governance practices at different levels and to achieve its objectives.

2. Board of Directors:**2.1 Size of the Board:**

National Textile Corporation is a Government Company within the meaning of section 2(45) of the Companies Act, 2013. As per Articles of Association, the President may from time to time appoint a Chairman of the Board of Directors on such terms and conditions and on such remuneration as he may deem fit. The other Directors shall be appointed by the President in consultation with the Chairman. Subject to the provisions of the Companies Act, the President may appoint any person as additional or alternate Director. The President shall have the power to remove any Director including the Chairman and the Managing Director from office at any time in his absolute discretion.

2.2 Composition of Board:

As on 31st March, 2020, the Board of Directors comprised of a Chairman & Managing Director, 1 Functional Director(Additional Charge) and 2 Non-Executive Directors (Government Nominees).

2.3 Board Meetings:

During the year Five (5) Board Meetings were held on 24.06.2019, 19.08.2019, 01.10.2019, 18.11.2019 and 22.01.2020.

Details of number of Board Meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships etc. during the year 2019-20 are as follows :-

Sl. No.	Name of the Directors	Category of Directorship	No. of Board Meetings Attended During 2019-20	Attended the last AGM	No. of other Directorships as on 31.03.2020/ during tenure
1	Sh. Nihar Ranjan Dash	CMD (Temporary charge)	5	Yes	6
2*	Sh. R.K. Sinha	Director (HR)	0	NA	6^
3*	Dr. Anil Gupta	Director (Fin)	4	NA	6^
4*	Smt. Bindu Sharma	Director(Fin) (Addl. charge to CMD,HHEC).	1	No	1
5*	Sh. Vijoy Kumar Singh	Govt. Nominee Director	4	No	4
6*	Sh. Prem Kumar Kataria	Govt. Nominee Director	5	No	0^
7*	Dr. Subhash Chandra Pandey	Govt. Nominee Director	0	NA	9^
8*	Smt. Aditi Das Rout	Govt. Nominee Director	0	NA	1^
9*	Sh. Anil B. Joshi	Independent Director	5	NA	0^
10*	Sh. Devendra Daga	Independent Director	5	NA	4^
11*	Smt. Anita Agarwal	Independent Director	5	NA	0^

^As per last available disclosure

Sl.No.2(*)Ceased to be Director(HR) on 15.05.2019.

Sl.No.3(*)Ceased to be Director(Fin) on 28.11.2019.

Sl.No.4(*)Entrusted with additional charge of the post of Director(Fin) w.e.f. 01.12.2019 & ceased to be Director(Fin) on 21.07.2020.

Sl.No.5(*) Appointed as Govt. Nominee Director w.e.f. 14.06.2019.
Sl.No.6(*) Appointed as Govt. Nominee Director w.e.f. 14.06.2019.
Sl.No.7(*) Ceased to be Govt. Nominee Director w.e.f. 14.06.2019.
Sl.No.8(*) Ceased to be Govt. Nominee Director w.e.f. 14.06.2019.
Sl. No.9, 10, 11(*) Ceased to be Independent Director on 29.01.2020.

2.4 Information placed before the Board of Directors:

The Board has complete access to any information within the Company. The information regularly supplied to the Board, inter-alia includes the following:-

- Annual operating Plans, Budgets and updates.
- Capital Budget and updates.
- Annual Accounts etc.
- Review of progress of ongoing projects including critical issues and areas needing management attention.
- Minutes of the meeting of Audit Committee and other Committees of the Board.
- Quarterly Financial results for the company.
- Operational activities of the Company
- Major investments, formation of subsidiaries and Joint Ventures, etc.
- Disclosure of Interest by Directors about directorship and Committee positions occupied by them in other companies.
- Any significant development in Human Resources/Industrial Relations like Revision of pay wage agreement, etc.
- Short term investment of surplus funds
- Highlights of important events from last meeting to the current meeting.

3. Audit Committee

- (a) **Composition:** NTC in pursuance of excellence in corporate governance, constituted an Audit Committee of its Board of Directors w.e.f. 28/08/2001. There used to be Functional Directors and Independent Directors as the members of the Audit Committee. However, in the absence of Functional Directors in the Corporation w.e.f. 16.05.2019(except Director(Finance) being special invitee to Audit Committee), the Committee was re-constituted by the Board of Directors in its 387th meeting held on 1st October 2019 as under:

SI No.	Name of the Director	Category	Position
1.	Shri Devendra Daga	Independent Director	Chairman
2.	Shri Anil B. Joshi	Independent Director	Member
3.	Smt. Anita Agarwal	Independent Director	Member

On completion of tenure of all the Independent Directors on 29.01.2020 and no further appointment of Independent Directors and Functional Directors, Audit committee of the Corporation became defunct w.e.f. 30.01.2020. Once the induction of Independent Directors & Functional Directors takes place, the Audit committee will be suitably re-constituted.

Director (Finance) attends and participates in the Audit Committee Meeting as Special Invitee without having right to vote, in accordance with section 177 of the Companies Act, 2013.

Head of Internal Audit is invited in the Audit Committee meeting. The Statutory Auditors of the Company are invited in the meeting as and when required as per the Act. Company Secretary acts as Secretary to the Committee and Senior Functional executives are also invited as and when required to provide necessary clarifications to the Committee. Internal Audit Department provides necessary support for holding and conducting Audit Committee meetings.

- (b) **Meeting and Attendance:** Four Meetings of the Audit Committee were held during the financial year 2019-20 i.e. on 23.06.2019, 30.09.2019, 14.10.2019 and 21.01.2020 The details of the Meetings of Audit Committee attended by the members are as under:-

Sl. No.	Name of the Directors	Status	No. of meetings attended
1. #	Shri.Devendra Daga	Chairman	4
2. #	Shri Anil B. Joshi	Member	4
3. #	Smt. Anita Agarwal	Member	4
4.*	Shri R.K. Sinha	Member	0

Ceased to be independent Director on 29.01.2020

* Ceased to be Director on 15.05.2019.

- (c) **Powers:** The Audit Committee has powers commensurate with its role including the following:-

1. To investigate any activity within its terms of reference.
2. To seek information on and from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To protect whistle blowers.

- (d) **Scope of Audit Committee:-** The scope of the Audit Committee are as follows:-

1. Over-seeing of the Company's financial reporting process and the disclosure of it's financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the fixation of audit fees.
3. Recommendation to the Board for payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements, before submission to the Board for approval, with particular reference to:-
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause of section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reason for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with legal requirements relating to financial statements.
 - f) Disclosures of any related party transactions; and
 - g) Qualification in the drafts audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditor and /or auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Reviewing the functioning of the Whistle Blower Mechanism.
13. Reviewing the follow up action on the audit observation of the C&AG Audit.
14. Reviewing the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Providing an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
16. Reviewing all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for re-viewing related party transactions.
17. Reviewing with the independent auditor the co-ordination of audit efforts to ensure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
18. Considering and reviewing the following with the independent auditor and the management:-
 - The adequacy of internal controls including computerised Information System Controls and security and
 - Related findings and recommendations of the independent auditor and internal auditors together with the management responses.
19. Considering and reviewing the following with the management, internal auditor and the independent auditor:-
 - Significant findings during the year, including the status of previous audit recommendations
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
20. Carrying out any other function as is mentioned in terms of the reference of the Audit Committee.

4. (a) H. R. & Legal Sub- Committee

Composition:

The Company was having a combined H.R. & Legal Sub-committee until the same was demerged into two separate sub-committees i.e. H.R. Sub-Committee and Legal Sub-Committee by the Board of Directors in its 387th meeting held on 1st October, 2019. The combined HR & Legal Sub-committee was consisting of the following members:

Sl. No.	Name of the Directors	Status	
1.	Smt. Anita Agarwal	Independent Director	Chairperson
2.	Shri Anil B. Joshi	Independent Director	Member
3.	Shri Devendra Daga	Independent Director	Member
4	Shri R.K. Sinha	Director(HR)	Member

Post demerger i.e. w.e.f 1st October, 2019, both the sub-committees were re-constituted with following:

i) H.R. Sub-Committee:

Sl. No.	Name of the Directors	Status	
1.#	Smt. Anita Agarwal	Independent Director	Chairperson
2.#	Shri Anil B. Joshi	Independent Director	Member
3.#	Shri Devendra Daga	Independent Director	Member

Ceased to be independent Director on 29.01.2020

ii) **Legal Sub-Committee:**

Sl. No.	Name of the Directors	Status	
1.#	Smt. Anita Agarwal	Independent Director	Chairperson
2.#	Shri Anil B. Joshi	Independent Director	Member
3.#	Shri Devendra Daga	Independent Director	Member

Ceased to be independent Director on 29.01.2020

The H.R. Sub-Committee was constituted to prepare a personnel/HR policy for the company, discuss other important H/R matters and give its recommendations to the Board; whereas the Legal Sub-Committee was constituted to review all legal cases and to look into the performance of the advocates.

Meeting and Attendance:

During the year 2019-20, one meeting of HR & Legal Sub-Committee was held on 23rd June 2019. After demerger, one meeting of HR Sub-Committee was held on 22nd January 2020 and two meetings of Legal Sub-Committee were held on 18th November 2019 and 21st January 2020. The meetings were attended by the members as under:

Sl. No.	Name of the Directors	Status	No. of meetings attended
HR & Legal Sub-Committee (Combined)			
1. #	Smt. Anita Agarwal	Chairperson	1
2. #	Shri Anil B. Joshi	Member	1
3. #	Shri Devendra Daga	Member	1
4.*	Shri R.K. Sinha	Member	0
HR Sub-Committee (De-merged)			
1. #	Smt. Anita Agarwal	Chairperson	1
2. #	Shri Anil B. Joshi	Member	1
3. #	Shri Devendra Daga	Member	1
Legal Sub-Committee (De-merged)			
1. #	Smt. Anita Agarwal	Chairperson	2
2. #	Shri Anil B. Joshi	Member	2
3. #	Shri Devendra Daga	Member	2

Ceased to be independent Director on 29.01.2020

* Ceased to be Director on 15.05.2019

On completion of tenure of all the Independent Directors on 29.01.2020 and no further appointment of Independent Directors and Functional Directors, HR Sub-Committee and Legal Sub-committee of the Corporation became defunct w.e.f 30.01.2020. Once the induction of Independent Directors & Functional Directors takes place, both the sub-committees will be suitably re-constituted.

4. (b) Technical & Marketing Sub Committee**Composition**

A Marketing Sub-Committee was constituted by the Board of Directors of NTC in its 340th meeting held on 22/05/2013. Board of Directors in its 382nd meeting held on 25.09.2018 decided that the erstwhile Marketing Sub-Committee be re-

designated as "Technical and Marketing Sub-Committee". Technical & Marketing Sub-Committee was consisted of the following members:

Sl. No.	Name of the Directors	Status	
1.	Shri Anil B. Joshi	Independent Director	Chairman
2.	Smt. Anita Agarwal	Independent Director	Member
3.	Shri Devendra Daga	Independent Director	Member
4.	Shri R.K. Sinha	Director(HR)	Member
5.	Dr. Anil Gupta / Smt Bindu Sharma*	Director (Finance)	Member
6.	Shri. M.M.Chokalingam	Ex-Director(Marketing), CCI	Member

*Member w.e.f. 21.01.2020

The sub-committee is to hold periodic meetings to discuss various ongoing Technical/Marketing activities for the company and other important matters and give its recommendations to the Board. The scope of Sub-Committee inter alia includes the following:

- All technical proposals and issues, which are under discretionary powers of Board, shall be routed through this sub-committee.
- All Proposals involving capital investment within powers of the Board to be placed before the sub-committee for deliberation and in-principle decision as to whether go ahead or not.
- The recommendation of the committee whether to go ahead or not with a particular capital investment proposal should be supported by market studies, probable success rate, case studies on the relatable field, future cash flows etc.
- All the proposals requiring capital investment should be mapped with the current financial health of the Corporation and its sustainability with the future cash flows.
- The committee shall also deliberate on the monthly production Plan of the mills prepared by Committee for Production Planning.

Meeting and Attendance:

Four Meetings of the Technical & Marketing Sub Committee were held during the financial year 2019-20 i.e. on 24.06.2019, 14.10.2019, 18.11.2019 and 21.01.2020, which were attended by the members as under :-

Sl. No.	Name of the Directors	Status	No. of meetings attended
1. #	Shri Anil B. Joshi	Chairman	4
2. #	Shri Devendra Daga	Member	4
3. #	Smt. Anita Agarwal	Member	4
4.*	Shri R.K. Sinha	Member	-
5.**	Dr. Anil Gupta	Member	3
6.***	Smt. Bindu Sharma	Member	1
7	Shri. M.M.Chokalingam	Member	-

Ceased to be independent Director on 29.01.2020

* Ceased to be Director on 15.05.2019

** Ceased to be Director on 28.11.2019

*** Member w.e.f. 21.01.2020.

On completion of tenure of all the Independent Directors on 29.01.2020 and no further appointment of Independent Directors and Functional Directors, Technical & Marketing Sub-committee of the Corporation became defunct w.e.f 30.01.2020. Once the induction of Independent Directors & Functional Directors takes place, the sub-committee will be suitably re-constituted.

4. (c) CSR Committee

Composition

A Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors of NTC in its 344th meeting held on 18/12/2013 and the CSR Committee last re-constituted by the Board in its 379th meeting held on 8th March 2018 with the following members:

Sl. No.	Name of the Directors	Status	
1.#	Smt. Anita Agarwal,	Independent Director	Chairperson
2.#	Shri Anil B. Joshi	Independent Director	Member
3.#	Shri Devendra Daga	Independent Director	Member
4*	Dr. Anil Gupta	Director (Finance)	Member

Ceased to be independent Director on 29.01.2020

* Ceased to be Director on 28.11.2019

The Committee has been constituted to oversee the implementation of CSR and sustainability activities / projects in the Company.

Meeting and Attendance:

During the year, one meeting of CSR Committee was held on 23rd June 2019 which was attended by all the members.

On completion of tenure of all the Independent Directors on 29.01.2020 and no further appointment of Independent Directors and Functional Directors, CSR committee of the Corporation became defunct w.e.f 30.01.2020. Once the induction of Independent Directors & Functional Directors takes place, the committee will be suitably re-constituted.

5. Remuneration of Directors :

The remuneration of CMD and Functional Directors is decided by the Government of India. Sitting Fee payable to the Independent Director is fixed by Board of Directors of NTC in pursuance of the DPE guidelines and the Companies Act. The Board had approved the payment of sitting fee of ₹12,000/- for each meeting of the Board and Committees/Sub Committees of the Board, to each Independent Director, subject to applicability of TDS on the same.

Details of remuneration of CMD and Functional Directors of the Company paid for the financial year 2019-20:

Sl. No.	Name of the Directors	Salary ₹	Benefits ₹	Total ₹
1.	Shri Nihar Ranjan Dash, CMD (Temporary charge)	-	-	-
2.	Smt. Bindu Sharma, Director (Finance) Addl. Charge	-	-	-
4.	Shri R.K.Sinha* Director (HR)	5,27,948	8,100	5,36,048
5.	Dr. Anil Gupta** Director (Finance)	16,88,782	5,93,362	22,82,144
	Total	22,16,730	6,01,462	28,18,192

* ceased to be Director (HR) w.e.f. 16.05.2019

** ceased to be Director (Finance) w.e.f. 29.11.2019

CMD and Director (Finance) at SI No. 1 & 2 being at Temporary/Addl. charge, respectively, no remuneration was paid.

Details of sitting fee paid to Independent Directors during the financial year 2019-20 are given below:-

SI. No.	Name of the Independent Directors	Sitting Fees for Board Meetings ₹	Sitting Fees for Committee Meetings ₹	Total ₹
1	Shri Anil B. Joshi	60,000	1,80,000	2,40,000
2	Shri.Devendra Daga	60,000	1,80,000	2,40,000
3	Smt. Anita Agarwal	60,000	1,56,000	2,16,000
	Total	1,80,000	5,16,000	6,96,000

6. Accountability of Directors :

Memorandum of Understanding (MOU), a mutually negotiated agreement and contract between the Management of NTC (CPSE) and the MOT (Administrative Ministry/Government of India) is signed before commencement of ensuing financial year, under the guidelines and mechanism laid down by DPE. Under this agreement, NTC undertakes to achieve the targets set in the agreement at the beginning of the year and it is intended to evaluate performance of NTC at the end of the year vis-a-vis the targets fixed in the beginning of the year.

It is done by adopting a system of “five point scale” and “criteria weight” which ultimately results in calculation of ‘composite score’ or an index of the audited performance of the enterprise. The composite score is forwarded to DPE through the administrative ministry viz. MOT by September of the succeeding financial year in line with the guidelines prescribed by DPE for their ratification. The MOU system enables NTC to perform efficiently as there are variety of parameters both financial and non-financial in nature. NTC has been vigorously following this system since 2007, which has helped immensely in fulfilment of its long ranging objectives and aspirations and overall growth over the period. The entire process also ensures transparency as well as accountability towards stakeholders.

7. General Body Meetings :

Date, time and venue of the last 3 Annual General Meetings are as under:-

SI. No.	Financial Year	Date	Time	Location
1	2018-19	28.02.2020	3.00 P.M.	Registered Office at Core-IV, Scope Complex, Lodhi Road, New Delhi – 110 003
2	2017-18	26.11.2018	10.30 A.M.	
3	2016-17	15.12.2017	3.00 P.M.	

8. Disclosures :

There were no transactions by the Company of material nature with Promoters, Directors or the Management, their relatives, etc. that may have potential conflict with the interests of Company at large. The Non-Executive Directors had no pecuniary relationships or transactions with the company during the year except receipt of sitting fees for attending meetings of the Board/Board Sub-Committee. None of the Directors held any share of the Company, except Govt. nominee directors (two) who hold 1 share each, face value of ₹1000/- per share, without having beneficial interest.

9. Shareholding Pattern of NTC :

As on 31st March, 2020, 99.76% shares of National Textile Corporation Limited are held by the President of India and balance 0.24% are held by various State Governments.

10. Details of Joint Venture/Subsidiary/Associate Companies and its location :

NTC Ltd, at present, is having 7 JVCs/subsidiaries/Associates. The JVCs/ subsidiaries/Associates are located at:

Sl. No.	Name of the JVC/Subsidiary/Associate Company	Location
i	Apollo Design Apparel Parks Ltd.	382, N.M. Joshi Marg, Chinchpokli, Mumbai – 400 011
ii	Goldmohur Design and Apparel Parks Ltd.	Dada Sahib Phalke Road, Dadar (East) Mumbai – 400 014
iii	New City of Bombay Mfg. Mills Ltd.	63, T.B. Kadam Marg, Mumbai - 400 033
iv	Aurangabad Textiles and Apparel Parks Ltd.	Aurangabad Textiles Mills, 63, T.B. Kadam Marg, Mumbai - 400 033
v	India United Textile Mill Ltd.	Dr. Ambedkar Road, Lalbaug, Parel, Mumbai – 400 012
vi	Swadeshi Mining and Manufacturing Co. Limited	16/14, Swadeshi House, Civil Lines, Jyotiba Phule Nagar, Kanpur, UP.
vii	Swadeshi Polytex Limited	New Kavi Nagar Industrial Area, Gaziabad, UP – 201002.

11. Code of Conduct :

The Company has introduced the Code of Conduct applicable to the Board Members as well as the Senior Management personnel.

- 12.** The quarterly as well as Annual Grading Report is being submitted regularly to the administrative ministry for onward submission to DPE for giving the final grading in it's Assessment Report.

Annexure-VII

Certificate Regarding Compliance of Conditions of Corporate Governance

To,

The Members of National Textile Corporation Limited

We have examined the compliance of conditions of Corporate Governance by National Textile Corporation Limited (“the Company”) for the Financial Year ended 31st March 2020, as stipulated in guidelines on Corporate Governance for CPSE’s issued by Department of Public Enterprises (DPE) (“the Guidelines”).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied by and large with the conditions of the Corporate Governance as stipulated in the above guidelines on Corporate Governance for CPSE’s issued by the Department of Public Enterprises (DPE) subject to the following comments:

1. *The company has not constituted the Remuneration Committee as required under clause 5.1 of the DPE Guidelines. As explained by the company, the same is not required due to non-implementation of annual bonus/ Variable pay pool.*

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Nityanand Singh & Co.**
Company Secretaries

Sd/-

Nityanand Singh (Prop.)
FCS No.: 2668/ C.P No.: 2388
UDIN: F002668B001387150

Place: New Delhi

Date: 03.12.2020

ANNEXURE TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline of the company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference in web link to the CSR policy and projects or programs:

NTC has framed its CSR Policy in accordance with the provisions of Section 135 of the Companies Act 2013 and revised DPE guidelines. The CSR policy of the Corporation has been uploaded on the website, after its approval by the Board of Directors in its 378th meeting held on 15th February, 2018.

Web-link: <https://www.ntcltd.org/csr.aspx>

2. The Composition of CSR Committee:

A Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors of NTC in its 344th meeting held on 18/12/2013 and the CSR Committee last re-constituted by the Board in its 379th meeting held on 8th March 2018 with the following members:

S. No.	Name of the Directors	Status	
1.#	Smt. Anita Agarwal,	Independent Director	Chairperson
2.#	Shri Anil B. Joshi	Independent Director	Member
3.#	Shri Devendra Daga	Independent Director	Member
4*	Dr. Anil Gupta	Director (Finance)	Member

Ceased to be independent Director on 29.01.2020

* Ceased to be Director on 28.11.2019

The Committee has been constituted to oversee the implementation of CSR and sustainability activities / projects in the Company.

On completion of tenure of all the Independent Directors on 29.01.2020 and no further appointment of Independent Directors and Functional Directors, CSR committee of the Corporation became defunct w.e.f 30.01.2020. However, in view of recent amendments as notified by the Ministry of Corporate Affairs on 22.01.2021, the new Committee will be constituted, if the need arises i.e. in case budget allocation for CSR exceeds ₹ 50 lakhs.

3. Average net profit of the Company for last three financial years: Nil

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Nil

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year : **Nil**
- (b) Amount unspent, if any: **Nil**
- (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
SL. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
	-	-	-	-	-	-	-
	Total						

There was no fund allocation under CSR for the F.Y. 2019-20.

6. Reasons for not spending two percent of the average net profit of the last three financial years or any part thereof:

Pursuant to section 135 of the Companies Act 2013; there was no fund allocation for the financial year 2019-20 for CSR expenditure based on the average net profits of previous three financial years.

7. The responsibility statement of the CSR Committee of the Board of Directors of the Company is given below:

As mentioned in point no. (2) hereinabove, the CSR Committee was functional upto 29.01.2020, to ensure the implementation and monitoring of CSR Policy, in compliance with CSR objectives and Policy of the Company, in spite of the fact that there was no mandatory requirement of budget allocation towards CSR for the F.Y. 2019- 20 based on the average net profits of previous three financial years.

Sd/-

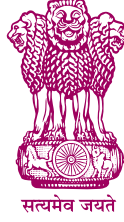
Nihar Ranjan Dash

(Chairman & Managing Director)

Note: The CSR Committee not being in function, this report is signed by CMD only i.e. without Chairperson of the CSR Committee.

ANNUAL ACCOUNTS (STANDALONE)

कार्यालय प्रधान निदेशक लेखापरीक्षा
उद्योग एवं कारपोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी.एस्टेट,
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE
NEW DELHI- 110 002

संख्या: एएमजी-1/23(5)/एन.टी.सी./वार्षिक खाता/2019-20/2021-22/Vol-II/100

दिनांक / DATE :06 - 07 - 2021.....

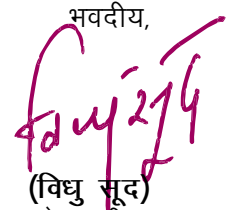
सेवा में,
अध्यक्ष एवं प्रबंधक निदेशक,
नेशनल टेक्सटाइल कॉरपोरेशन लिमिटेड,
कोर - 4, स्कोप कॉम्प्लैक्स,
7-लोदी रोड,
नई दिल्ली - 110003

विषय:-कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2020 को समाप्त वर्ष के लिए नेशनल टेक्सटाइल कॉरपोरेशन लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत 31 मार्च 2020 को समाप्त वर्ष के लिए नेशनल टेक्सटाइल कॉरपोरेशन लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

भवदीय,



(विधु सूद)

प्रधान निदेशक लेखापरीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

संलग्नक : यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL TEXTILE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of National Textile Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 February 2021.

1. On behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National Textile Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

A. Cash Flow Statement

Para 45 of Indian Accounting Standard (Ind AS) - 7 stipulates that "An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet". Presently, instead of showing the components of cash and cash equivalents and reconciliation of the amount in the statement of cash flow, only the note number of Notes to Financial Statements has been linked, which is not in compliance with the above-mentioned stipulation.

B. Annexure I to the Independent Auditor's Report

B.1 Para no. 3(vii)(b) of Companies Auditors' Report Order (CARO), 2016 stipulates that "Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value-added tax have not been deposited on account of any dispute, then the amounts involved and the forum where the dispute is pending shall be mentioned." Independent Auditor did not comply with the said provision of CARO as detailed below:

- Details of disputed statutory dues which have not been deposited as on 31 March 2020 mentioned in Para 7 (b) of Annexure I to Independent Auditors Report did not include disputed Income tax demand of ₹ 22.48 crore pertaining to the Assessment year 2013-14 pending in High Court.
- The amount of disputed Income tax demand of ₹ 4.55 lakh pending before Income Tax Authorities was incorrectly mentioned as ₹ 4.46 lakh.
- The names of specific Forums where disputes are pending were not mentioned.

B.2 Companies Auditors' Report Order, 2016 requires that the auditor's report on the accounts of a company shall include a statement on the following matters, namely: 3 (i) (c) "whether the title deeds of immovable properties are held

in the name of the company. If not, provide the details thereof. However, the Statutory Auditor has not included the list of immovable properties not held in the name of the Company, but only made reference to Notes 33.16 to 33.22 of Notes to accounts in the Independent Auditor's Report. Hence, the Report of Independent Auditor is deficient to that extent.

C. Others

Company's financial statements disclose in note 33.24, the nature of the amount (₹ 120.27 crore) booked as claims receivable, being receivable from Government of India under section 5 (2) of the Textile Undertakings (Nationalization) Act, 1995.

Government of India (GOI), vide Textile Undertakings (Taking Over of Management) Act, 1983, took over the management of 13 sick Textile Undertakings with effect from October 1983 and further transferred these undertakings to National Textile Corporation vide the Textile Undertakings (Nationalization) Act, 1995 with effect from April 1994. Section 5(2) (c) of the Textile Undertakings (Nationalization) Act, 1995 stipulates that, "any liability arising in respect of wages, salaries, and other dues of employees of the Textile Undertaking, in respect of any period after the management of such undertaking had been taken over by the Central Govt, shall on and from the appointed day, be the liability of Central Government and shall be discharged for or on behalf of that Government by the National Textile Corporation as and when such wages, salaries and other dues become due and payable".

In view of the above, the National Textile Corporation has booked an amount of ₹ 120.27 crore (till 31 March 2020) as claim receivables from Central Government relating to wages, salaries, gratuity and other dues of the employees of 13 Textile Undertakings pertaining to the period 18.10.1983 to 31.03.1994. The matter has been under correspondence between NTC and GOI for several years. In 2005, Ministry of Textiles stated that all working capital loans (wage shortfall) to NTC are actually funds released by Government of India from Budget provisions and therefore, the liabilities of Central Government, discharged by subsidiaries of NTC Ltd, on behalf of Central Government, may not be liable for reimbursement by the Central Government. This stand was further reiterated by Ministry of Textiles in 2006.

Accordingly, in FY 2010-11, the Company created provision towards above receivables. However, NTC took up the matter again with Ministry of Textiles in November 2011. Based on correspondence made by NTC with Ministry of Textiles and based on the opinion received from an independent Chartered Accountant firm, NTC reversed the provision so created in FY 2015-16.

In October 2016, Ministry of Textiles took up the matter again with Ministry of Finance endorsing NTC's claim and seeking reimbursement to the amounts paid/incurred and responded to (April 2017) clarifications sought (February 2017) by Ministry of Finance. NTC has followed up this correspondence in December 2018, June 2019, December 2020 and May 2021. A confirmation on the claims receivable is yet to be received from Ministry of Finance.

The matter was judged significant in Audit as the issue needs to be resolved expeditiously.

**For and on behalf of the
Comptroller & Auditor General of India**


(Vidhu Sood)

**Principal Director of Audit
Industry & Corporate Affairs
New Delhi**

**Place: New Delhi
Date: 06.07.2021**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL TEXTILE CORPORATION LIMITED

Report on Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **NATIONAL TEXTILE CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements"), in which are included the Ind AS Financial Statements of 7 Regional Offices/Sub-Offices for the year ended on that date audited by the branch auditors of the Company's branches .

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate Ind AS Financial Statements of the branches referred to in the Other Matters section below, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015(as amended), of the state of affairs of the Company as at 31st March, 2020 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules issued 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 opinion.

Emphasis of Matter

We draw attention to the following

- Recognised claim receivable of ₹ 3024.18 Lakhs on account of insurance claim receivable in respect of loss due to fire in its New Bhopal Textiles Mills.(Company has Received amount of ₹ 412.01 Lakhs in FY 2019-20) (**Refer Note No -33.28**)
- Title Deeds of Properties not available and pending for transfer as ownership is in dispute (**Refer Note No.33.16**)
- Properties & Assets are under unauthorized occupation (**Refer Note No.33.17**)
Pending Disputes with regard to Freehold/Leasehold Lands (**Refer Note No.33.18**)
- Advance against Sale of Assets pending Court decisions/registration/possession (**Refer Note No. 33.19**) and other property matters (**Refer Note No. 33.20**)
- Pending Confirmations from Trade Receivables, Loans(Non-Current), Loans(Current) Other Current Assets, Other

Non-Current Assets, Borrowings, Trade Payable, Other Current Liabilities, Other Non-Current Liabilities, Bank Balance, Cash & Cash equivalents etc. **(Refer Note No. 33.33(A))**

- (f) One Property transferred from PPE to Investment Property during the year. **(Refer Note No-4)**
- (g) Various Claims filed against the NTCL which not acknowledged as debt. **(Refer Note No-33.01)**
- (h) Effect not Given for Surrendered of Land (**Refer Note No-33.20 (b)**)
- (i) Assets held under PPE not in Possession of NTCL. (**Refer Note No-33.21 (b)**)
- (j) **Impact of Covid-19 on Operations of the company**

We draw attention to **Note No-33.32** in the accompanying financial statements, which describes the management's assessment of the impact of uncertainties related to outbreak of COVID-19 and its consequential effects on the business operations of the Company.

Our opinion is not qualified in respect of these matters.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and Corporate Governance Report, but does not include the Standalone Ind AS Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Ind AS 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 Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity 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 of 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also 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 Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS 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 Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

We did not audit the financial statements of 7 Regional Offices/Sub-Offices included in the Standalone Ind AS Financial Statements of the Company whose financial statements reflect total assets of ₹3, 04,565.41 Lakhs as at 31st March, 2020 and total revenue from operations of ₹85, 041.62 lakhs for the year ended on that date. The financial statements of these Regional Offices / Sub-Offices have been audited by the Branch Auditors whose reports have been furnished to

us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such Branch Auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section 11 of Section 143 of the Act, we give in the **Annexure 1**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the Branch Auditors on the separate financial statement of the branches, referred to in other matters above, we report, to the extent applicable, 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (e) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.
 - (f) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company.
 - (g) 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 - 2**.
 - (h) 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 Standalone Ind AS Financial Statements (**Refer Note No. 33.01**)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by section 143(5) of the Act, we give in **Annexure - 3**, a statement on the matters specified in the Directions issued by the Comptroller and Auditor General of India in respect of the Company.
4. As per notification no GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies.

For Bansal R.Kumar & Associates

Chartered Accountants

FRN: 008186N

Sd/-

(R. K. Gupta)

Partner

M.No. 086851

UDIN No. 21086851AAAACX5831

Place : New Delhi

Date : 11.02.2021

Annexure-1 to the Independent Auditors' Report on Standalone Financial Statements
We report that:
1. In respect of its fixed assets:

- (a) The Company has maintained proper records showing in most cases, full particulars including quantitative details and situation of its fixed assets except in the following cases as reported by Branch Auditors:-

S.No.	Regional Office	Remarks
1	WBABO	In case of RMD Patna, full particulars of fixed assets have been maintained except for the cases of those assets in respect of which invoice details are not available and whose useful life has ended as per Schedule II of the Companies Act, 2013.
2	SRO	<p>The SRO is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets except in the following comments as extracted from the audit reports of the running unit Mills of SRO audited by the branch auditors and details available at SRO.</p> <p>In respect of Kerala Lakshmi Mills: As per branch auditor's version 4.8 acres of land belonging to the unit has been encroached upon by outsiders. And legal action for recovery has not been taken on all encroachers. As per details available at SRO the encroachment is in 2.38 acres and only in one case legal action has been filed against the occupiers".</p>
3	UP	<p>As per the revival scheme approved by the Hon'ble BIFR, all the mills under Sub-office Kanpur have been closed with the exception of Swadeshi Cotton Mills – Mau-Nath-Bhanjan which is also not under operation despite of BIFR ordering for operating the same under joint venture.</p> <p>The sub- office has not maintained proper records relating to fixed assets owing to the absence of the register containing full particulars, years of purchase, useful life, residual value and particulars regarding impairment of the fixed assets.</p>

- (b) The fixed assets of the Company have been physically verified by the management at reasonable intervals in a phased manner. However, it is observed certain land and buildings are under encroachments/ unauthorized occupation. As informed, no material discrepancies have been noticed on such verification. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets except in the following cases as reported by Branch Auditors:-

S.No.	Regional Office	Remarks
1	UP	As informed the fixed Assets, other than land and building which are under illegal/third party occupation / possession, were physically verified by the management at the year-end. The physical verification certificates / sheets were not provided to us by the management. Accordingly, we are unable to state whether physical verification was carried out in respect of all the mills as at the year end. Further, as explained to us, no material discrepancies were noticed on such verification. However due to the lack of any evidence having been produced before us, we are unable to comment whether the fixed assets have been physically verified at the year end.
2	WRO	Physical verification was not carried out in respect of Land, Buildings, Bungalows, Staff Quarters & chawls which are in possession of third parties or illegal occupants.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title/lease deeds of immovable properties are held in the name of the Company except in the following cases:

Refer Notes to Account: 33.16 to 33.22

2. In respect of physical verification of inventory:

- (a) In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories, which were not material, have been properly dealt with in the books of account including the following observations as reported by Branch Auditors:-

S.No.	Regional Office	Remarks
1	DPR	In On the basis of consideration of report of other auditors on the financial statements of Divisional Office, Delhi, the physical verification of inventory has been conducted by management at reasonable intervals except for inventory valued at ₹ 4,81,339, lying at Barra Showroom, No material discrepancies have been noticed on physical verification of inventories as compared to book records.

3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the clauses (iii) (a), (iii) (b) and (iii) (c) of the paragraph 3 of the order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, investment, guarantees or securities under the provisions of Section 185 and 186 of the Companies Act, 2013. Hence, clause (IV) of the paragraph 3 of the order is not applicable to the Company.
5. The Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Companies Act 2013 and rules framed there-under during the year. Accordingly paragraph 3(v) of the order is not applicable to the Company.
6. Pursuant to the rules made by the central government of India, the Company is required to maintain Cost Records as specified under section u/s 148(1) of the Act in respect of its products.

The Branch Auditors have broadly reviewed the same and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained except in case of all of the mills under Sub-Office, Kanpur as they have not maintained the prescribed cost records.

The Branch Auditors have not, however, made a detailed examination of the records with a view to determine whether these are accurate and complete.

7. According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes, Cess and other Statutory Dues with the appropriate authorities. According to the

information and explanations given to us, the undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2020 are as follows :

(₹ in Lakhs)

Name of the Statute	Nature of Dues	Amount	Period to which amount relates	Due Date	Date of Payment
Income Tax Act, 1961	TDS Demand	0.09	FY: 2010-11 to FY: 13-14	Various Months	Not yet paid
Local Acts of various States	Water Tax	219.32	N.A	N.A.	Not yet paid
	Municipal Tax	194.12	N.A	N.A.	Not yet paid
	MCGM Dues	5.53	2004	2004	Not yet paid
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	EPF	7.28	N.A	N.A	Not yet paid
Employee State Insurance Act	ESIC				

Information pertaining to period for which dues relate and due date has not been made available to us in some cases.

- (b) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as on 31st March, 2020 as given herein below:

(₹ in Lakhs)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending/Remarks
Central Excise Act, 1944	Excise Duty	594.17	Various Years	Various Authorities
ESI Act, 1948	ESI & Interest	1324.43	Various Years	Various Authorities
	Post Takeover & Post Nationalizations Damages ESIC	1361.18	Various Years	Various Authorities
	Pre Takeover & Pre Nationalization Damages ESIC	38.26	Various Years	Various Authorities
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	457.00	Various Years	Various Authorities
	Penalty & Damages of PF [Pre-Nationalisation]		Various Years	Central PF Commissioner
	Post take Over & Post Nationalisation damages PF	7178.15	Various Years	Central/Regional PF Commissioner
The Payment Of Bonus Act, 1965	The Differential Bonus & claim of salary	1157.39	Various Years	Various Authorities
Payment of Gratuity Act, 1972	Gratuity	63.78	Various Years	Various Authorities
Customs Act, 1962	Customs Duty	123.33	Various Years	Appellate Tribunal
Finance Act, 1994	Service Tax	21.57	2012 to 2016	Various Authorities
Foreign Trade (Development & Regulation) Act, 1992	Liability towards non fulfillment of Export Obligation	202.16	2007	Director general of foreign trade.

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending/Remarks
Central Sales Tax Act and Sales Tax Act of various States	Sales Tax	5794.97	Various Years	Various Authorities
	CST			
	VAT			
	UP Trade Tax		2004-05 & Old	Various Authorities
	Entry Tax	13.22	Various Years	Various Authorities
Local Acts of various States	Property Tax	65.64	Various Years	Various Authorities
	Land Revenue	64.31	Pre Nationalization	Land Revenue Department
	Municipal Corporation Dues	78.24	1995-2005	Local Authority Mumbai
	Professional Tax	14.21	1994-95 to 2004-05	Professional Tax Authorities (Maharashtra)
	MCGM	11.14	1994-95 to 2004-05	Maharashtra Local authorities
	Labour Court Claim	50.74	Various Years	High Court Madras
	Electricity board for Additional Claim	14.50	Various Years	Supreme Court of India
	Claims (HCC, EEPL, Cheema Boilers)	162.77	Various Years	High court Mumbai
Income Tax Act, 1961	Income Tax	4.46	Prior to 2006-07	Authorities within Income Tax Department

8. The Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders during the year except in case of :
- Southern Regional Office (SRO) where there has been a default in the repayment of Outstanding Interest on Cash Credit Accounts to State Bank of Mysore in respect of Kaleeswara Mills A Unit and Somasundara Mills to the extent of ₹ 75.45 Lakhs. The SRO has submitted an application for waiver of entire interest of ₹ 75.45 lakhs.
 - Loan from Government of India where there has been a default in repayment of principal amount of ₹ 27,000 lakhs and outstanding interest of ₹ 53,751.28 lakhs.
9. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) or Term loans from banks and financial institutions during the year. Accordingly paragraph 3(ix) of the order is not applicable to the Company.
10. To the best of our knowledge and belief and according to the information and explanations given to us and based on the audit procedures performed, we report that no case of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, paragraph 3 (xi)

of the Order is not applicable to the Company.

- 12.** In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13.** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Ind AS 24 'Related Party Disclosures' specified under Section 133 of the Act read with relevant rules.

Moreover, according to notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 188 of the Act is not applicable to the Government Companies in respect of contracts or arrangements entered into between the Government Companies.
- 14.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- 15.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- 16.** The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Bansal R.Kumar & Associates

Chartered Accountants

FRN: 008186N

Sd/-

(R. K. Gupta)

Partner

M.No. 086851

UDIN No. 21086851AAAACX5831

Place : New Delhi

Date : 11.02.2021

Annexure-2 to the Independent Auditors' Report on Standalone Financial Statements**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of the **NATIONAL TEXTILE CORPORATION LIMITED** ("the Company") as of 31 March, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control 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 judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting as in so far relates to Branches audited by Branch Auditors, is based on the corresponding report of the Branch Auditors.

Opinion

According to the information and explanations given to us and based on the reports received from other auditors who audited the accounts of the concerned Units/Regional Offices and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020 –

a) In respect of Western Regional Office:-

- i) Certain Shares held by NTC WRO were not in the name of NTC [Share Certificates were in name of erstwhile owner] which were shown as Non-Current Investments in the books of the NTC's WRO Mumbai and as such Internal Financial Controls over investments appearing in the books not operating effectively which could potentially result in the loss of income and ownership of Investments.
- ii) Out of 23 properties where Title was not in dispute, 16 were in the name of erstwhile owners and 7 were in the name of other parties. In case of 2 properties details about whether these were Freehold or Leasehold were not available. Also, certain lands were encroached and were in the possession of unauthorized occupants. Considering these facts, we are of the opinion that IFC over assets appearing in the Books are not operating effectively which could potentially result in the loss of ownership of properties.

b) In respect of Unit – Kerala Lakshmi Mills

Internal Financial Control over protection and safeguarding the fixed assets of the company is not operating effectively in the light of fact that 4.8 acres of land belonging to the Company has been encroached and possessed by the outsiders. As per the information given to us, appeal suit is pending for removing all structures constructed in an area of 50 cents. No legal action has been initiated for recovering possession of other encroached land. The Company has not protected its land and property by erecting fencing or boundary wall.

A “material weakness” is a deficiency or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2020 Financial Statements of the Company and these material weaknesses do not affect our opinion on the Financial Statements of the Company.

For Bansal R.Kumar & Associates

Chartered Accountants

FRN: 008186N

Sd/-

(R. K. Gupta)

Partner

M.No. 086851

UDIN No. 21086851AAAACX5831

Place : New Delhi

Date : 11.02.2021

Annexure-3 to the Independent Auditors' Report on Standalone Financial Statements

On the directions issued by the Comptroller and Auditor General of India under sub section 5 of section 143 of the Companies Act, 2013, based on the verification of records of the Company and information and explanations given to us, we report that:

Directions under Section 143(5) of Companies Act, 2013:

S.NO	QUESTIONS	AUDITOR'S COMMENTS
1	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The company uses TALLY (ERP 9.0 Version) software for processing accounting transactions in respect of all 7 Regional Offices/Sub-Offices including Mills operating therein. However, in respect of few units/mills, transactions relating to inventory are recorded in separate software called Inventory Management System, details of Production, Sales, Payment and Allotment are recorded in separate software called Marketing Management System and payroll is maintained in customized software. Excel Spreadsheet is widely used to prepare and disseminate MIS.</p> <p>Based on our audit, on test basis, and based on reports received from the branches, wherever the accounting transactions are based on workings outside IT system, no instances of lack of integrity of accounts and no financial implications has been noted/ reported.</p>
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<p>As per information and explanations obtained there was no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan except in case of SRO where it has defaulted in the repayment of Outstanding Interest on Cash Credit Accounts to State Bank of Mysore in respect of Kaleeswara Mills A Unit and Somasundara Mills to the extent of ₹ 75.45 Lakhs.</p> <p>The SRO has submitted an application for waiver of entire interest of ₹ 75.45 lakhs.</p> <p>If bank were to accept the proposal of waiver, profit of the unit would increase by ₹ 75.45 lakhs and Current Liability would decrease by ₹ 75.45 lakhs.</p>
3	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	<p>To the best of our information, checks applied by us during the course of our audit and based on reports received from the branches/ units, we are of the opinion that no funds were received/ receivable for specific schemes from Central/ State agencies.</p>

M/s Bansal R. Kumar & Associates
Chartered Accountants

G-7 & 8, Namdhari Chambers
9/54, D.B. Gupta Road, Karol
Bagh New delhi-110005, India
Ph. no 23678326, 23516788
Email : rkbansal01@yahoo.com

Compliance Certificate

We have conducted the audit of accounts of **National Textile Corporation Limited** – **Standalone**, New Delhi for year ended on 31st March, 2020 in accordance with the directions/Sub– directions issued by the C&AG of India under section 143 (5) of the companies Act, 2013 and certify that we have complied with all the directions/ sub directions issued to us.

**For M/s Bansal R. Kumar &
Associates, Chartered Accountants
Firm Registration Number: 008186N**

**Sd/-
(R. K. Gupta)
Partner
Membership Number 086851**

**Place: New Delhi
Date: 11.02.2021**

BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lakh)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	71,559.88	75,020.75
Capital work-in-progress	3	394.35	1,075.43
Investment property	4	2,974.62	2,993.91
Intangible assets	5	16.86	18.40
Financial assets			
- Investments	6	1,998.74	2,022.10
- Loans	7	2,739.50	2,875.81
- Other financial assets	8	164.08	1,159.53
Other non-current assets	9	13,963.69	14,355.12
Current Assets			
Inventories	10	24,253.20	31,277.45
Financial assets			
- Trade receivables	11	1,292.36	2,276.03
- Cash & cash equivalents	12	6,377.07	2,889.66
- Bank Balances other than cash & cash equivalents	13	19,032.08	37,188.25
- Loans	7	7,894.49	6,198.73
- Other financial assets	8	7,104.56	7,957.02
Current tax assets (net)	14	826.86	799.27
Other current assets	9	2,274.02	1,997.13
Assets classified as held for sale	15	141,699.05	141,699.05
Total Assets		304,565.41	331,803.64

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
Equity			
- Equity share capital	16	306,216.01	306,216.01
- Other equity	17	(151,416.92)	(116,405.85)
Liabilities			
Non-Current Liabilities			
Financial liabilities			
- Other financial liabilities	18	39.59	33.13
Provisions	19	9,846.07	9,647.62
Deferred tax liabilities (Net)	20	-	-
Other non-current liabilities	21	4,944.89	5,212.41
Current Liabilities			
Financial liabilities			
- Borrowings	22	27,073.59	27,066.70
- Trade payables			
- total outstanding dues of MSME	23	855.18	502.86
- total outstanding dues of creditors other than MSME	23	19,865.38	16,659.66
- Other financial liabilities	18	75,097.38	69,954.38
Other current liabilities	21	8,739.79	9,062.29
Provisions	19	3,304.45	3,854.43
Total Equity and Liabilities		304,565.41	331,803.64

Significant Accounting Policies &
Notes to the Financial Statements

1
33

As per our separate report of even date attached
For **Bansal R. Kumar & Associates**
Chartered Accountants
Firm Registration Number: 008186N

For and on behalf of Board of Directors of
National Textile Corporation Limited
CIN: U74899DL1968GOI004866

Sd/-
(R.K. Gupta)
Partner
Membership No.: 086851

Sd/-
(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-
(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Place: New Delhi
Date: 11.02.2021

Sd/-
(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Lakh)

Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	24	85,041.62	108,184.72
Other income	25	5,631.48	6,010.04
Total Income		90,673.10	114,194.76
Expenses			
Cost of material consumed	26	52,244.61	69,679.88
Purchase of stock in trade		532.01	784.26
Changes in inventories of finished goods, stock in trade and work in progress	27	4,730.98	(682.43)
Employees' benefit expenses	28	29,887.65	30,996.61
Finance costs	29	5,951.29	5,778.68
Depreciation and amortization expenses	30	4,950.47	5,322.06
Other expenses	31	26,993.34	33,646.54
Total expenses		125,290.35	145,525.60
Profit/(loss) before exceptional items and tax		(34,617.25)	(31,330.84)
Exceptional Items	32	(38.22)	(133.80)
Profit/(loss) before tax		(34,655.47)	(31,464.64)
Tax expense			
(i) Current tax		-	-
(ii) Deferred tax	20	-	-
Profit/(loss) for the period from continuing operations		(34,655.47)	(31,464.64)
Profit/(loss) for the period (I)		(34,655.47)	(31,464.64)

Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Re-measurement gain/(loss) on defined benefit plans		(332.23)	449.42
- Net gain/ (loss) on FVTOCI equity instruments		(23.37)	(6.43)
Other Comprehensive Income (II)		(355.60)	442.99
Total Comprehensive Income for the year (I+II)		(35,011.07)	(31,021.65)
"Earnings per equity share(from continuing operations) : (Par value ₹ 1000/- per share)"	33.09		
(1) Basic		(113.17)	(102.75)
(2) Diluted		(113.17)	(102.75)

**Significant Accounting Policies &
Notes to the Financial Statements**

1
33

As per our separate report of even date attached
For **Bansal R. Kumar & Associates**
Chartered Accountants
Firm Registration Number: 008186N

For and on behalf of Board of Directors of
National Textile Corporation Limited
CIN: U74899DL1968GOI004866

Sd/-
(R.K. Gupta)
Partner
Membership No.: 086851

Sd/-
(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-
(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Place: New Delhi
Date: 11.02.2021

Sd/-
(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax and exceptional items	(34,617.25)	(31,330.84)
Adjustment for:-		
Depreciation and amortization	4,950.47	5,322.06
Unrealised foreign exchange loss/(gain)	-	-
Finance cost	5,951.29	5,778.68
Provision for doubtful assets	23.49	50.25
Interest income	(2,746.15)	(3,909.79)
Loss due to fire	27.14	35.69
Dividend received	(664.10)	(647.00)
Remeasurement of net defined benefit plans	(332.23)	449.42
Operating profit before working capital changes	(27,407.34)	(24,251.53)
Cash flow from working capital changes		
Adjustment for:-		
(Increase)/Decrease in Inventories	7,023.98	1,089.77
(Increase)/Decrease in Trade receivables	963.98	3,883.38
(Increase)/Decrease in Other financial asset, other asset and loans	(1,127.85)	262.29
(Increase)/Decrease in Other bank balances	344.07	(752.12)
Increase/(Decrease) in Trade payables, other financial liabilities, other liabilities and provisions	3,106.99	1,326.89
Cash flow after working capital changes	(17,096.17)	(18,441.32)
Income Tax Paid	(27.59)	(26.10)
Cash flow before exceptional items	(17,123.76)	(18,467.42)
Adjustment for exceptional items	(18.53)	(132.35)
Net Cash flow from operating activities (i)	(17,142.29)	(18,599.77)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment/intangible assets	(827.63)	(1,650.34)
Proceeds from property, plant & equipment	3.78	1,512.64
Sundry creditors for machinery	(29.76)	64.27
Sale/ (Purchase) of investments	-	3.22
(Increase)/Decrease in Bank Deposits	18,812.85	6,734.90

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest received	3,262.06	3,320.14
Dividend received	664.10	647.00
Net Cash from investing activities (ii)	21,885.40	10,631.83
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Borrowings	6.89	(288.24)
Finance cost	(1,267.54)	(1,094.93)
Payment of Lease liabilities	4.95	-
Net Cash from financing activities (iii)	(1,255.70)	(1,383.17)
D. Net changes in cash & cash equivalents (i+ii+iii)	3,487.41	(9,351.11)
E. Opening cash & cash equivalents (Note No 12)	2,889.66	12,240.77
Impact of change in foreign exchange rate on Cash and Cash Equivalents	-	-
F. Closing cash & cash equivalents (Note No 12)	6,377.07	2,889.66

The accompanying notes are an integral part of these standalone financial statements.

Notes:

- The cash flow statement has been prepared under the indirect method as set out under Indian Accounting Standard (Ind AS-7 - Cash flow statement) statement of cash flows.
- Previous year figures have been restated, regrouped and rearranged wherever considered necessary.

As per our separate report of even date attached
For Bansal R. Kumar & Associates
Chartered Accountants
Firm Registration Number: 008186N

For and on behalf of Board of Directors of
National Textile Corporation Limited
 CIN: U74899DL1968GOI004866

Sd/-
(R.K. Gupta)
Partner
Membership No.: 086851

Sd/-
(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-
(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Place: New Delhi
Date: 11.02.2021

Sd/-
(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

Standalone Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital (₹ in Lakh)

As at April 01, 2018	306,216.01
Changes in Equity share capital	-
As at March 31, 2019	306,216.01
Changes in Equity share capital	-
As at March 31, 2020	306,216.01

B) Other Equity (₹ in Lakh)

Particulars	Reserve and Surplus			Equity instruments through OCI	Revaluation Surplus	Remeasurement gain/(loss) on defined benefit plans	Total
	Capital Reserve	Special Reserve u/s 36 (i) (viii) of the Income Tax Act	Retained Earnings				
Balance as at April 1, 2018	345,584.78	242.48	(448,510.36)	45.95	16,722.89	530.06	(85,384.20)
Profit/(loss) for the period	-	-	(31,464.64)	-	-	-	(31,464.64)
Other comprehensive income for the year	-	-	-	(6.43)	-	449.42	442.99
Total comprehensive income for the year	-	-	(31,464.64)	(6.43)	-	449.42	(31,021.65)
Balance as at March 31, 2019	345,584.78	242.48	(479,975.00)	39.52	16,722.89	979.48	(116,405.85)
Balance as at April 1, 2019	345,584.78	242.48	(479,975.00)	39.52	16,722.89	979.48	(116,405.85)
Profit/(loss) for the period	-	-	(34,655.47)	-	-	-	(34,655.47)
Other comprehensive income for the year	-	-	-	(23.37)	-	(332.23)	(355.60)
Total comprehensive income for the year	-	-	(34,655.47)	(23.37)	-	(332.23)	(35,011.07)
Balance as at March 31, 2020	345,584.78	242.48	(514,630.47)	16.15	16,722.89	647.25	(151,416.92)

As per our separate report of even date attached

For **BANSAL R. KUMAR & ASSOCIATES**

Chartered Accountants

Firm Registration Number: 008186N

Sd/-

(R.K. Gupta)
Partner

Membership No.: 086851

Place: New Delhi
Date: 11.02.2021

Sd/-

(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-

(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Sd/-

(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

For and on behalf of Board of Directors of

National Textile Corporation Limited

CIN: U74899DL1968GOI004866

Note No 1 - Significant Accounting Policies

General Information

National Textile Corporation Limited, (NTC) “the company” is a Schedule ‘A’ public sector company under the ambit of Ministry of Textile, Government of India, engaged in production of yarn and fabric through its mills in operation, located all over India producing yarn and fabric. NTC also manufactures garments through its JV Companies.

In addition, National Textile Corporation has well established retail network throughout the country with its retail stores.

National Textile Corporation was established in 1968 to look after the functioning of sick textile mills acquired through three Nationalisation Acts. The mills which were not in a position to revive have been closed subsequently.

1. Significant Accounting Policies

1.1. Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and the relevant amendment rules thereafter.

Accounting policies have been applied consistently to all periods presented in these financial statements except as otherwise disclosed in financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013, except otherwise stated.

All amounts included in the financial statements are reported in lakhs Indian rupees except number of equity shares and per share data, unless otherwise stated.

1.2. Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised

1.3. Current versus 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 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 realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

1.4. Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

1.5. Purchase of Raw Materials

Purchase of Raw Materials is accounted for on invoice value except in the case of supplies from Government agencies where it is accounted on the basis of Pro-forma invoice in the absence of invoice.

1.6. Revenue Recognition

Sale of Goods/Services:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points) and revenue in relation to the performance obligation is recognized on satisfaction of that respective performance obligation over time or at a point of time as case may be.

In determining the transaction price for the sale of goods or services, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend Income is recognized when the company's right to receive the payment is established which is generally when shareholders approve the dividend.

Rent Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

1.7. Property, Plant and Equipment

All Property, Plant and Equipment (PPE) are stated at carrying value i.e. original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, GST, Excise and Custom duty where input credit/CENVAT Credit on capital goods is availed, except taken over as a result of nationalisation, which are stated at values then approved by board and re-valued asset at revalue price less accumulated depreciation and impairment(if any).
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Capital work in progress is stated at cost and such cost includes the cost of property, plant and equipment under installation/ under development as at the balance sheet date.

Stores and Spares

Significant spare parts qualify as property, plant and equipment when an entity expects to use them during more than one period and when they can be used only in connection with an item of property, plant and equipment.

Major repairs and overhauling cost

Cost of major repairs/overhauling is capitalised with consequent de-recognition of any remaining carrying amount of the cost of the previous inspection/repairs. The total cost of inspection/repairs is considered as a separate component.

1.8. Intangible Assets

All Intangible assets are stated at carrying value i.e. original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses.

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful life of 5 years and for the assets which are having more life, the periodicity may be decided after seeking approval from the Board.

1.9. Depreciation and Amortization

The depreciable amount of an item of Property, Plant and Equipment (PPE) is allocated on a straight line basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all

such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Companies Act, 2013 and management believes that useful life of the assets are same as those prescribed in Schedule II to the Act except plant and machinery of spinning and weaving business which based on technical evaluation, life has been estimated between the range of 20 to 30 years (on single shift basis), which is different from that prescribed in the Schedule II to the Act. The useful life of plant and machinery of garmenting business is estimated same as prescribed in Schedule II of the Act. The residual value of all the assets is taken 5% of the cost of assets.

Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Building - Factory	30 Years
Building - Non Factory (other than RCC Frame Structure)	30 Years
Building - Non Factory (RCC Frame Structure)	60 Years
Tube Well	5 Years
Plant & Machinery (Spinning and Weaving business)	20-30 Years
Plant & Machinery (Garmenting) Including Bio Gas Plant	15 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years
Electrical Fittings	10 Years
Office & Factory Equipments	5 Years
Computer	3 Years
Railway	15 Years
Lab Equipment	10 Years

1.10. Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset. The Company recognises other borrowing costs as an expense in the period in which it incurs. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.11. Foreign Currency Transactions:

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

1.12. Inventories

Inventories are valued as follows:

- Raw Material in Stock: At variety-wise monthly weighted average cost or net realizable value whichever is lower.

- ii) Raw material in Transit and finished goods (packed yarn and cloth): At cost or net realizable value whichever is lower.
- iii) Finished Goods at depot (Yarn / Cloth): At lower of cost or net realizable value.
- iv) Finished Goods at retail Marketing Depots / Divisions, and Retail Showrooms: Cost or net realizable value whichever is lower. The cost is determined by reducing from the sale value appropriate percentage of gross margin. Net realizable value is determined after appropriate discounts for damages, cut pieces, age of stock, market forces, if any.
- v) Stores and Spares: At weighted average cost or net realizable value whichever is lower other than the stores and spares that are to be componentized.
- vi) Materials in Process: At cost or net realizable value whichever is lower.
- vii) Loose yarn & Cloth under process, and with processors etc: At lower of cost or net realizable value less expenses to be incurred to make them ready for sale.
- viii) Scrap and saleable waste: At net realizable price.
- ix) Useable wastes: At weighted average cost or net realizable value whichever is lower

Note: Wherever net realisable value is not available, cost is used

1.13. Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. These grants are classified as grants relating to assets and revenue based on the nature of the grants.

Grants relating to depreciable assets are initially recognised as deferred revenue and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset generally in the same proportion in which depreciation is charged on the depreciable assets acquired out of such contribution. Changes in estimates are recognised prospectively over the remaining life of the assets.

Grants in the form of revenue grant are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Grants in the form of non-monetary assets such as land and other resources are recognised at fair value and presented as deferred income which is recognized in the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

1.14. Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.15. Contingent Liabilities / Assets

Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to

be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Liabilities are disclosed in the General Notes forming part of the accounts.

Contingent Assets

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it is certain that inflow of economic benefit will arise then such asset and the relative income shall be recognised in financial statements.

1.16. Employee benefits

- i) Provision for gratuity, leave encashment/availment and other terminal benefits is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets excluding interest (if applicable), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.
- ii) Contribution to Provident Fund is recorded as expenses on accrual basis.

1.17. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to

utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 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.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.18. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset at the Company.

1.19. Investment in Subsidiary, Joint Venture and Associates

The company accounts investment in subsidiary, joint ventures and associates at cost. An entity controlled by the company is considered as a subsidiary of the company.

Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

1.20. Financial instruments

i) Non-derivative financial instruments

Non-derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs.

Subsequent to initial recognition, non derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

b) Investments in Equity Securities

Investments in equity securities (other than those in Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in Other Comprehensive Income. The impairment losses, if any, are reclassified from equity into statement of profit and loss. On de-recognition of such assets, the related cumulative gain or losses recognised in other comprehensive income are transferred within equity.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

ii) Derivative financial instruments/Forward Contract

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

1.21. Impairment

If the recoverable amount of an asset (or cash-generating unit/Fixed Assets) 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. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal 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.

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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include companies past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety except 1.20(i)(b), the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

1.22. Earnings per share

A basic earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.23. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.24. Segment Information

The Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments" monitors the operating results of its operating segments based on their revenue growth and operating income. The Company has identified two primary business segments i.e. Yarn & Cloth. The assets and liabilities used in the Company's business that are not identified to any of the operating segments are shown as un-allocable assets/liabilities.

1.25. Prior Period

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes on Accounts.

1.26. Non-current Assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets and disposal groups are measured at the lower of their carrying amount and fair value less cost to be incurred towards sale. This condition is regarded as met only when the sale is highly probable and the assets or disposal group is available for immediate sale in its present condition.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The company treats sale/ distribution of the asset or disposal group to be highly probable when:

- i) The appropriate level of management is committed to a plan to sell the asset (or disposal group), ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable), iii) The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value, iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The company shall not depreciate (or amortised) a non-current asset while it is classified as held for sale or while it is a part of a disposal group classified as held for sale.

1.27. Leases

As a Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-

of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note No. - 2

(a) Property, Plant and Equipment

(₹ in Lakh)

Particulars	Gross block as at April 1, 2019	Additions	Adjustments/sales during the year	Gross block as at March 31, 2020	Accumulated depreciation as at April 1, 2019	Depreciation during the year	Adjustments/sales during the year	Accumulated depreciation as at March 31, 2020	Carrying value as at March 31, 2020
Land - Free Hold	17,978.99	-	-	17,978.99	-	-	-	-	17,978.99
Building - Factory	22,998.15	10.19	(18.10)	22,990.24	3,369.80	773.35	(12.50)	4,130.65	18,859.59
Building - Non Factory	2,119.73	7.66	-	2,127.39	396.50	51.02	-	447.52	1,679.87
Tube Well	52.91	0.78	-	53.69	41.96	1.78	-	43.74	9.95
Plant & Machinery	62,523.13	1,256.37	72.47	63,851.97	31,744.59	3,383.52	(29.26)	35,098.85	28,753.12
Furniture & Fixtures	896.10	0.72	(42.09)	854.73	332.47	88.18	-	420.65	434.08
Vehicles	140.04	-	-	140.04	86.96	12.36	-	99.32	40.72
Electrical Fittings	3,620.52	170.04	(87.18)	3,703.38	1,765.65	361.42	-	2,127.07	1,576.31
Office & Factory Equipments	433.24	12.31	(1.83)	443.72	208.28	58.80	(0.84)	266.24	177.48
Computer	219.78	23.30	(13.24)	229.84	116.04	42.14	(7.42)	150.76	79.08
Railway	0.04	-	-	0.04	-	-	-	-	0.04
Lab Equipment	970.52	10.48	-	981.00	338.94	98.08	-	437.02	543.98
Sub-Total(a)	111,953.15	1,491.85	(89.97)	113,355.03	38,401.19	4,870.65	(50.02)	43,221.82	70,133.21

(b) Right of Use Assets

(₹ in Lakh)

Particulars	Gross block as at April 1, 2019	Additions	Adjustments/sales during the year	Gross block as at March 31, 2020	Accumulated depreciation as at April 1, 2019	Depreciation during the year	Adjustments/sales during the year	Accumulated depreciation as at March 31, 2020	Carrying value as at March 31, 2020
Land - Lease Hold	1,659.26	9.86	-	1,669.12	190.47	54.75	-	245.22	1,423.90
Building - Non Factory	-	7.00	-	7.00	-	4.23	-	4.23	2.77
Sub-Total(b)	1,659.26	16.86	-	1,676.12	190.47	58.98	-	249.45	1,426.67
Grand Total(a+b)	113,612.41	1,508.71	(89.97)	115,031.15	38,591.66	4,929.63	(50.02)	43,471.27	71,559.88

(₹ in Lakh)

Particulars	Gross Block as at April 01, 2018	Additions during the year	Adjustments/sales during the year	Gross block as at March 31, 2019	Accumulated depreciation as at April 1, 2018	Depreciation during the year	Adjustments/sales during the year	Accumulated depreciation as at March 31, 2019	Carrying value as at March 31, 2019
Land - Free Hold	17,978.99	-	-	17,978.99	-	-	-	-	17,978.99
Land - Lease Hold	1,659.26	-	-	1,659.26	141.81	48.66	-	190.47	1,468.79
Building - Factory	22,818.78	179.37	-	22,998.15	2,531.61	838.19	-	3,369.80	19,628.35
Building - Non Factory	2,055.32	64.41	-	2,119.73	321.78	74.72	-	396.50	1,723.23
Tube Well	51.74	1.17	-	52.91	40.33	1.63	-	41.96	10.95
Plant & Machinery	62,204.80	316.56	1.77	62,523.13	28,086.16	3,658.43	-	31,744.59	30,778.54
Furniture & Fixtures	687.18	208.92	-	896.10	249.20	83.27	-	332.47	563.63
Vehicles	140.40	-	(0.36)	140.04	63.64	23.32	-	86.96	53.08
Electrical Fittings	3,422.78	199.51	(1.77)	3,620.52	1,359.02	406.63	-	1,765.65	1,854.87
Office & Factory Equipments	359.98	75.42	(2.16)	433.24	156.16	52.74	(0.62)	208.28	224.96
Computer	169.37	53.43	(3.02)	219.78	82.96	35.02	(1.94)	116.04	103.74
Railway	0.04	-	-	0.04	-	-	-	-	0.04
Lab Equipment	778.10	192.42	-	970.52	261.21	77.73	-	338.94	631.58
Total (₹)	112,326.74	1,291.21	(5.54)	113,612.41	33,293.88	5,300.34	(2.56)	38,591.66	75,020.75

Note No. 3

Capital Work- In- Progress

(₹ in Lakh)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Balance as at April 01, 2019	Additions during the year	Capitalized during the year	Balance as at April 01, 2018	Additions during the year	Capitalized during the year
Civil work	172.43	1.65	(7.63)	166.45	278.87	(267.44)
Plant & Machinery	857.90	112.69	(783.42)	187.17	255.39	(85.49)
Others	45.10	-	(4.37)	40.73	189.27	(294.15)
Total	1,075.43	114.34	(795.42)	394.35	723.53	(647.08)

2. Property Plant and Equipment

Leases

(i) "Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below. The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019."

(₹ in Lakh)

Particulars	Amount
Add/(less): contracts reassessed as lease contracts	16.86
Lease liabilities as on 1 April 2019	16.86
Current lease liability	5.95
Non current lease liabilities	10.91

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows : (₹ in Lakh)

Particulars	Amount
Decrease in Property Plant and equipment by	1,468.79
Increase in lease liability by	16.86
Increase in rights of use by	16.86
Increase/Decrease in finance cost by	1.30
Increase/Decrease in depreciation by	10.32

(ii) As Lessee

(A) Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ in Lakh)

Particulars	As at March 31, 2020
Right-of-use assets, except for investment property	16.86
Total	16.86

(B) Maturity analysis of lease liabilities

(₹ in Lakh)

Particulars	As at March 31, 2020
Less than one year	4.67
One to five years	6.73
More than five years	7.07
Total undiscounted lease liabilities at March 31, 2020	18.47
Lease liabilities included in the statement of financial position at March 31, 2020	11.91
Current	3.78
Non-Current	8.13

(C) Amounts recognised in profit or loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2020
Interest on lease liabilities	1.30
Expenses relating to short-term/low value leases	148.52

(D) Amounts recognised in the statement of cash flows

(₹ in Lakh)

Particulars	For the year ended March 31, 2020
Total cash outflow for leases for which Right of Use of assets has been recognised	5.66

(iii) As Lessor

(A) Operating Lease

- i) Gross Block of Land and Building includes the value of land and buildings given on lease for the period of 33 years to the Joint Venture Companies (JV Co's) in 2007 in respect of 5 mills. The Joint Venture Company (JV) wise detail of the same is as under:

Land:

(₹ in Lakh)

Name of the Joint Vanture Company	Area in sq. mtr. of land	Gross Block Value	Net Block Value
Apollo Textile Mills	*18,067	1.72	1.72
Gold Mohur Mills	30,149	1.29	1.29
New City of Bombay Mfg. Mills	27,106	1.00	1.00
Aurangabad Textile Mills	1,08,235	0.04	0.04
India United Mills No.1	86,006	282.84	282.84
Total	2,69,563	286.89	286.89
Previous Year	2,69,563	286.89	286.89

*Excluding set back area

Building:

(₹ in Lakh)

Name of the Joint Vanture Company	Gross Block Value	Accumulated Depreciation	Net Block Value
Apollo Textile Mills	4.36	0.69	3.67
Gold Mohur Mills	0.41	0.23	0.18
New City of Bombay Mfg. Mills	1.32	0.81	0.51
Aurangabad Textile Mills	2.64	0.36	2.28
India United Mills No.1	4.04	0.56	3.48
Total	12.77	2.66	10.11
Previous Year	12.77	1.51	11.26

- ii) As per lease agreement between NTC and the 5 Joint Venture Companies (JVC) dated 15.11.2007, lease of ₹ 0.001 Lakh each was received for leasing of Land and Building as per details given in the para below. The lease terms are for 33 years and renewable for 2 additional terms of 33 years each in accordance with terms of the present deed.

The lease rents receivable in respect of 5 JVC's are as under:

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	0.0050	0.0050
After one year but not more than five years	0.0200	0.0200
More than five years	0.0731	0.0781

Aggregate amount of rent received during the year under operating lease ₹ 0.005 Lakh (previous year ₹ 0.005 Lakh) towards the lease rent received from the JVCs in respect of Apollo Textile Mills, Gold Mohur Mills, New City of Bombay Mfg. Mills, Aurangabad Textile Mills and India United Mills No. 1 and same has been included in Other Income.

Note No. 4

Investment Property

(₹ in Lakh)

Particulars	Land	Building	Total
Gross block as at April 1, 2019	1,834.50	1,195.82	3,030.32
Additions	-	-	-
Gross block as at March 31, 2020	1,834.50	1,195.82	3,030.32
Accumulated depreciation as at April 1, 2019	-	36.41	36.41
Additions	-	19.29	19.29
Accumulated depreciation as at March 31, 2020	-	55.70	55.70
Carrying value as at March 31, 2020	1,834.50	1,140.12	2,974.62

(₹ in Lakh)

Particulars	Land	Building	Total
Gross block value as at April 1, 2018	1,834.50	1,195.82	3,030.32
Additions	-	-	-
Gross block value as at March 31, 2019	1,834.50	1,195.82	3,030.32
Accumulated depreciation as at April 1, 2018	-	17.11	17.11
Additions	-	19.30	19.30
Accumulated depreciation as at March 31, 2019	-	36.41	36.41
Carrying value as at March 31, 2019	1,834.50	1,159.41	2,993.91

Amounts recognized in Statement of Profit & Loss for Investment Property

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income	431.57	407.14
Direct operating expenses for property that did not generate rental income	51.00	69.05
Profit/(loss) from investment properties before depreciation	380.57	338.09
Depreciation	(19.30)	(19.30)
Profit/(loss) from investment properties	361.27	318.79

During the financial year 2019-20, the company has reclassified building having carrying value of ₹ 28.26 Lakh (Gross block ₹ 30.82 Lakh and accumulated depreciation ₹ 2.56 Lakh) as at April 01, 2018 and carrying value of ₹ 27.40 Lakh (Gross block 30.82 Lakh and accumulated depreciation ₹ 3.42 Lakh) as at March 31, 2019 from Property, plant and equipment to Investment properties during the year.

Disclosure in relation to fair Value of Investment Property

The company is in the process of getting fair value of its investment properties from National Buildings Construction Corporation Ltd (NBCC), accordingly no disclosure for fair value of these properties has been provided in the financial statements for the financial year 2019-20, the same will be provided in financial statements of upcoming years on receipt of valuation report from NBCC.

Note No. 5

Intangible Assets

(₹ in Lakh)

Particulars	Computer Softwares
Gross block as at April 1, 2018	18.23
Additions	7.23
Gross block as at March 31, 2019 (A)	25.46
Accumulated Amortization/Impairment as at April 1, 2018	4.63
Additions	2.43
Accumulated Amortization as at March 31, 2019 (B)	7.06
Carrying value as at March 31, 2019 (A-B)	18.40
Gross block as at April 1, 2019	25.46
Additions	-
Gross block as at March 31, 2020 (C)	25.46
Accumulated Amortization/Impairment as at April 1, 2019	7.06
Additions	1.54
Accumulated Amortization/Impairment as at March 31, 2020 (D)	8.60
Carrying value as at March 31, 2020 (C-D)	16.86

Note No. 6
Investments

(Amount in ₹)

Particulars	Cost of Investment	As at 31 March, 2020			As at 31 March, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NON CURRENT INVESTMENTS							
A. Investment in Subsidiaries and Joint Ventures							
Unquoted							
Equity Instrument at Cost							
Aurangabad Textiles & Apparel Parks Limited*	1,06,08,000	10,60,800	1,06,08,000	-	10,60,800	1,06,08,000.00	-
Fully paid up equity shares of ₹ 10 each							
New City Bombay Manufacturing Mills Limited*	4,67,67,000	46,76,700	4,67,67,000.00	-	46,76,700	4,67,67,000.00	-
Fully paid up equity shares of ₹ 10 each							
Apollo Designs & Apparel Parks Limited*	2,88,15,000	28,81,500	2,88,15,000.00	-	28,81,500	2,88,15,000.00	-
Fully paid up equity shares of ₹ 10 each							
Goldmohur Designs & Apparel Parks Limited*	2,98,35,000	29,83,500	2,98,35,000.00	-	29,83,500	2,98,35,000.00	-
Fully paid up equity shares of ₹ 10 each							
Indian United Mills Limited*	6,48,26,100	64,82,610	6,48,26,100.00	-	64,82,610	6,48,26,100.00	-
Fully paid up equity shares of ₹ 10 each							
Swadeshi Mining & Manufacturing Limited	1,65,80,153	17,18,344	1,65,80,153.00	1,65,80,153.00	1718,344	1,65,80,153.00	1,65,80,153.00
Fully paid up equity shares of ₹ 10 each							
Sub Total (A)			19,74,31,253.00	1,65,80,153.00		19,74,31,253.00	1,65,80,153.00
B. Investment in Associates							
Quoted							
Equity Instrument at Cost							
Swadeshi Polytex Limited	1,45,42,243.50	1,31,17,500	1,45,42,243.50	-	13,11,750	1,45,42,243.50	-
Fully paid up equity shares of ₹ 10 each. (Share split in ratio 1:10)							
Sub Total (B)			1,45,42,243.50	-		1,45,42,243.50	-
Total 1 (A+B)			21,19,73,496.50	1,65,80,153.00		21,19,73,496.50	1,65,80,153.00
C. Other Investments							
(i) Quoted							
At Fair value through Other Comprehensive Income							
A. Investment in Equity Instruments							
NTC-HO							
Lakshmi Machine Works Limited	1,000.00	480	11,04,168.00	-	480	29,24,664.00	-
Fully paid up equity shares of ₹ 10 each							
Sub-Total (C)			11,04,168.00	-		29,24,664.00	-

Particulars	Cost of Investment	As at 31 March, 2020			As at 31 March, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NTC-UP							
Century Tex & Ind Ltd. Fully paid up equity shares of ₹ 10 each	512.00	480.00	1,41,984.00	-	480	4,47,624.00	-
Standard Ind Limited Fully paid up equity shares of ₹ 5 each	215.00	84.00	777.00	-	84	1,293.60	-
Binny Mills Ltd Fully paid up equity shares of ₹ 10 each	3,591.00	67.00	2,730.25	-	67	3,942.95	-
S. V. Global Mills Ltd Fully paid up equity shares of ₹ 5 each	-	470.00	14,875.50	-	470	24,675.00	-
Sub-Total (D)			1,60,366.75	-		4,77,535.55	-
NTC-DPR							
Akzo Nobel India Ltd Fully paid up equity shares of ₹ 10 each	325.00	15	33,195.75	-	15	27,042.75	-
Arvind Limited Fully paid up equity shares of ₹ 10 each	383.00	13	255.45	-	13	1,182.35	-
Sub-Total (E)			33,451.20	-		28,225.10	-
NTC-WRO							
The Phoenix Mills Ltd Fully paid up equity shares of ₹ 2 each	81.00	250	1,43,012.50	-	250	1,65,675.00	-
The Century Spg. & Wvg. Co. Ltd. (Now Century Text. And Ind. Ltd.) Fully paid up equity shares of ₹ 10 each	740.00	250	73,950.00	-	250	2,33,138.00	-
The Simplex Mills Co. Ltd. Fully paid up equity shares of ₹ 10 each	79.00	7	70.00	-	7	74.00	-
The Morarjee Gokuldas Spg. & Wvg. Co Ltd. (Now- Peninsul Land Ltd.) Fully paid up equity shares of ₹ 7 each	1.00	400	936.00	-	400	3,328.00	-
The Bombay Dying & Mfg Co. Ltd. Fully paid up equity shares of ₹ 2 each	272.00	125	5,725.00	-	125	16,880.00	-
The Swan Mills Co. Ltd. (Now Swan Energy Ltd) Fully paid up equity shares of ₹ 2 each	1,026.00	1,000	1,00,350.00	-	1,000	1,07,400.00	-
The Dawn Mills Co. Ltd. (Peninsul Land) Fully paid up equity shares of ₹ 2 each	1.00	100	234.00	-	100	832.00	-
The Victoria Mills Ltd. Fully paid up equity shares of ₹ 100 each	150.00	1	1,340.50	-	1	2,400.00	-
Sub-Total (F)			3,25,618.00	-		5,29,727.00	-
Total 2 (C+D+E+F)			16,23,603.95	-		39,60,151.65	-

Particulars	Cost of Investment	As at 31 March, 2020			As at 31 March, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
(ii) Un-Quoted							
Equity Instrument at Cost							
A. Investment in Equity Instruments							
NTC-DPR							
Kohinoor Mills Co. Ltd. Fully paid up equity shares of ₹ 100 each	175.00	1	175.00	175.00	1	175.00	175.00
Tata Mill Ltd. Fully paid up equity shares of ₹ 25 each	33.00	1	33.00	33.00	1	33.00	33.00
The Mafat Lal Fine Spg & Mfg Co Ltd Fully paid up equity shares of ₹ 100 each	445.00	1	445.00	445.00	1	445.00	445.00
The Khatau Makanhi Spg & Wvg Mills Limited Fully paid up equity shares of ₹ 100 each	128.00	1	128.00	128.00	1	128.00	128.00
The Shree Niwas Cotton Mills Ltd. Fully paid up equity shares of ₹ 100 each	765.00	5	765.00	765.00	5	765.00	765.00
Mafatlal Engg. Ind. Ltd. Fully paid up equity shares of ₹ 100 each	35,600.00	356	35,600.00	35,600.00	356	35,600.00	35,600.00
Sub-Total (G)			37,146.00	37,146.00		37,146.00	37,146.00
NTC-UP							
Dhanlaxmi Mills Ltd. Fully paid up equity shares of ₹ 10 each	2,603.00	15	2,603.00	2,603.00	15	2,603.00	2,603.00
C.P. Properties Ltd. Fully paid up equity shares of ₹ 100 each	6,97,775.00	6,900	6,97,775.00	6,97,775.00	6,900	6,97,775.00	6,97,775.00
Beardsheel Ltd. Fully paid up equity shares of ₹ 10 each	2,380.00	90	2,380.00	2,380.00	90	2,380.00	2,380.00
Mafatlal Engg. Industries Ltd. Fully paid up equity shares of ₹ 100 each	10,000.00	100	10,000.00	10,000.00	100	10,000.00	10,000.00
Dalhousie Holding Limited Fully paid up equity shares of ₹ 10 each	3,81,619.00	3,650	3,81,619.00	3,81,619.00	3,650	3,81,619.00	3,81,619.00
Elgin Mills Co. Ltd. Fully paid up equity shares of ₹ 10 each	275.00	50	275.00	275.00	50	275.00	275.00
Cawanpore Textile Mills Fully paid up equity shares of ₹ 5 each	112.00	50	112.00	112.00	50	112.00	112.00
Sub-Total (H)			10,94,764.00	10,94,764.00		10,94,764.00	10,94,764.00

Particulars	Cost of Investment	As at 31 March, 2020			As at 31 March, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NTC-WRO							
Shree Nivas Cotton Mills Ltd. Fully paid up equity shares of ₹ 100 each	168.00	1	168.00	168.00	1	168.00	168.00
Swadeshi Mill Co. Ltd. Fully paid up equity shares of ₹ 10 each	178.00	10	178.00	178.00	10	178.00	178.00
Khetau Makanji Spg. & Wvg. Co. Ltd. Fully paid up equity shares of ₹ 100 each	1.00	1	1.00	1.00	1	1.00	1.00
Standard Mills Co. Ltd. Fully paid up equity shares of ₹ 10 each	1,204.00	60	1,204.00	1,204.00	60	1,204.00	1,204.00
Mafatlal Fine Spg. & Wvg. Co. Ltd. Fully paid up equity shares of ₹ 100 each	361.00	5	361.00	361.00	5	361.00	361.00
Bradbury Mills Ltd. Fully paid up equity shares of ₹ 50 each	845.00	5	845.00	845.00	5	845.00	845.00
Laxmi Vishnoo Cotton Mills Ltd. Fully paid up equity shares of ₹ 100 each	63.00	1	63.00	63.00	1	63.00	63.00
Mafatlal Engineering Ind. Ltd. Mumbai Fully paid up equity shares of ₹ 200 each	25,100.00	251	25,100.00	25,100.00	251	25,100.00	25,100.00
Tata Services Ltd. Fully paid up equity shares of ₹ 1000 each	1,75,000.00	175	1,75,000.00	-	175	1,75,000.00	-
Associated Buildings Ltd. Fully paid up equity shares of ₹ 1000 each	75,000.00	250	75,000.00	-	250	75,000.00	-
Cesta Bella Co-Hsg Soc. Fully paid up equity shares of ₹ 10 each	500.00	50	500.00	-	50	500.00	-
Rosary Co-Hsg Soc. Fully paid up equity shares of ₹ 100 each	1,000.00	10	1,000.00	-	10	1,000.00	-
Gulmohur Co-Hsg Soc. Fully paid up equity shares of ₹ 50 each	250.00	5	250.00	-	5	250.00	-
New Piece Goods Bazar Co. Ltd. Fully paid up equity shares of ₹ 100 each (Includes 192 bonus shares fully paid up equity shares of ₹ 100)	24,000.00	432	24,000.00	-	432	24,000.00	-
Sub-Total (I)			303,670.00	27,920.00		303,670.00	27,920.00
NTC-GUJ							
Others	11,792.00		11,792.00	9,900.00		11,792.00	9,900.00
Sub-Total (J)			11,792.00	9,900.00		11,792.00	9,900.00

Particulars	Cost of Investment	As at 31 March, 2020			As at 31 March, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NTC-SRO							
OPG Power Generation Pvt. Ltd.	25,20,800.00	2,19,200	25,20,800.00	-	2,19,200	25,20,800.00	-
OPG POWER Generation Pvt Limited- 219200 Shares of ₹ 10 each {at the premium of ₹ 1.50 per share} (Partly paid up ₹ 3.95433 per share in the year 2016-17)							
United Bleachers Limited	1,20,000.00		1,20,000.00	1,20,000.00		1,20,000.00	1,20,000.00
Kerala State Handloom Development Corporation Ltd.	5,000.00		5,000.00			5,000.00	
Sub-Total (K)			26,45,800.00	1,20,000.00		26,45,800.00	1,20,000.00
B. Investment in Government or Trust Securities							
NTC-DPR							
UCM Sehkhari Upbhokta Bandar, Udaipur Fully paid up equity shares of ₹ 10 each	100.00	10	100.00	100.00	10	100.00	100.00
Sub-Total (L)	100.00	10.00	100.00	100.00	10.00	100.00	100.00
NTC-MP							
Government Securities	8,100.00		8,100.00	8,100.00		8,100.00	8,100.00
Sub-Total (M)			8,100.00	8,100.00		8,100.00	8,100.00
NTC-SRO							
Government Securities	1,000.00		1,000.00			1,000.00	
Sub-Total (N)			1,000.00	-		1,000.00	-
NTC- GUJ							
Government Securities	6,811.91		6,811.91	6,811.91		6,811.91	6,811.91
Sub-Total (O)			6,811.91	6,811.91		6,811.91	6,811.91
Total 3 (G+H+I+J+K+L+M+N+O)			41,09,183.91	13,04,741.91		41,09,183.91	13,04,741.91
Other Non Current Investment							
NTC-SRO							
Western India Ind. Corp. Ltd.	15,000.00		15,000.00			15,000.00	
Others	56,385.00		56,385.00	22,705.00		56,385.00	22,705.00
Sub-Total (P)			71,385.00	22,705.00		71,385.00	22,705.00

Particulars	Cost of Investment	As at 31 March, 2020			As at 31 March, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NTC-WBABO							
Others	98,718.00		98,718.00	98,718.00		98,718.00	98,718.00
Sub-Total (Q)			98,718.00	98,718.00		98,718.00	98,718.00
NTC-MP							
Mafatlal Engg. Ind. Limited Fully paid up equity shares of ₹ 100 each	92,900.00	929	92,900.00	92,900.00	929	92,900.00	92,900.00
Indore Cloth Market Warehouse Ltd Fully paid up equity shares of ₹ 100 each	2,100.00	21	2,100.00	-	21	2,100.00	-
Delhi Ahilya New Cloth market Co Ltd Fully paid up equity shares of ₹ 100 each	2,000.00	20	2,000.00	-	20	2,000.00	-
Sub-Total R)			97,000.00	92,900.00		97,000.00	92,900.00
Total 4 (P+Q+R)			2,67,103.00	2,14,323.00		2,67,103.00	2,14,323.00
Total (1+2+3+4)			21,79,73,387.36	1,80,99,217.91		22,03,09,935.06	1,80,99,217.91

* In the financial statements for FY 2018-19, these companies were disclosed as Subsidiaries Companies, however considering opinion of Expert Advisory Committee of ICAI, the same has been disclosed as Joint Venture Companies in financial statements of FY 2019-20. The above change do not have any impact upon the accounting of investment in Standalone financial statements.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total Value		Total Value	
Total value of Investment		2,179.73		2,203.09
Aggregate amount of Impairment in the value of Investment		(180.99)		(180.99)
Carrying value of Investment		1,998.74		2,022.10
Gross amount of Quoted Investment		161.66		185.02
Market value of Investment in Associate		423.70		341.71
Market value of Quoted Investment- Others than Associate		16.24		39.60
Gross amount of Unquoted Investment		41.09		41.09
Aggregate amount of Impairment in the value of Investment		(180.99)		(180.99)

(₹ in Lakh)

Note No. 7

Loans

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non - Current		
<i>Unsecured (considered good)</i>		
Loans to employees	0.16	0.16
Security Deposits	2,739.34	2,875.65
Sub- Total(A)	2,739.50	2,875.81
Credit impaired		
Loans to Employees	71.87	72.16
Less: Allowance for bad and doubtful loans	(71.87)	(72.16)
Loans to Related Parties	1,111.75	1,111.75
Less: Allowance for bad and doubtful loans	(1,111.75)	(1,111.75)
Loan to Mohini Mills	3,574.09	3,574.09
Less: Allowance for bad and doubtful loans	(3,574.09)	(3,574.09)
Others Loans	123.36	154.04
Less: Allowance for bad and doubtful loans	(123.36)	(154.04)
Sub- Total(B)	-	-
Total Non-Current (A+B)	2,739.50	2,875.81
Current		
Unsecured (considered good)		
Loans to employees	375.27	359.60
Loans to related parties**	179.15	179.15
Security deposits	20.88	19.06
Loan to British India Corporation*	6,610.00	5,610.00
Loan to HHEC*	700.00	-
Others	9.19	30.92
Sub- Total	7,894.49	6,198.73
Total Current	7,894.49	6,198.73

*Refer Note 33.33(b)

**Loan to Swadeshi Polytex Ltd

Note No. 8

Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Bank deposits with more than 12 months maturity	2.70	1,003.45
Bank deposits with more than 12 months maturity - Earmarked	161.08	155.78
Balance with post office	0.30	0.30
Total	164.08	1,159.53

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Interest accrued on deposits, loans and advances	427.08	942.99
Current account with subsidiary companies	165.30	162.22
Claim receivable**	2,612.19	3,029.50
Receivable from Govt. of Puducherry*	3,424.48	3,424.48
Rent receivable	258.40	176.62
ISDS Receivable	159.10	159.10
Duty drawback receivable	21.15	21.15
Others	36.86	40.96
Total	7,104.56	7,957.02

*Refer Note 33.20 (d)

**Refer Note 33.28

Note No. 9

Other Assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Capital Advances		
Unsecured, considered good	20.83	344.89
Unsecured, considered doubtful	132.29	132.29
Allowances for doubtful advances	(132.29)	(132.29)
Total	20.83	344.89
Silver Coins/Vessels	18.08	18.08
Advance against Tax Payments (Sales Tax, Excise and other Statutory Receivables)	237.90	388.54
Deposit with govt. bodies	109.40	116.54
Less: Provision for deposit with govt. bodies	(25.53)	(25.53)
Deposit with Courts/Tribunals	965.81	887.38
Less: Provision for Deposit with Courts/tribunals	(217.34)	(217.34)
Other deposits	140.93	137.63
Less: Provision for other deposits	(77.64)	(77.64)
Employee's Family welfare fund deposits/securities	132.49	123.81
Commissioner of payment (doubtful)**	1,804.53	1,804.53
Less: Provision for doubtful commissioner of payments	(1,804.53)	(1,804.53)
Deposit with PF authorities under protest	85.05	85.05
Less: Provision for deposit with PF authorities	(47.36)	(47.36)
Deposit with ESI authorities	594.60	594.60
Less: Provision for deposit with ESI authorities	(1.31)	(1.31)

Particulars	As at March 31, 2020	As at March 31, 2019
Claim receivable from central govt.*	12,027.48	12,027.48
Others (Considered Good)	0.30	0.30
Other considered doubtful	903.07	899.76
Less: Provision for doubtful assets	(903.07)	(899.76)
Total	13,963.69	14,355.12
Current		
Balance with Excise & Custom authorities/Export incentive	60.93	5.51
Deposit with govt. bodies	396.63	216.25
Advance against Tax Payments (GST Receivables)	801.92	642.94
Commissioner of payment (good)**	115.66	115.66
Prepaid expenses	272.82	161.22
Other deposits	14.75	21.98
Advance for the supply of goods/services	414.09	624.49
Others	197.22	209.08
Total	2,274.02	1,997.13

*Refer Note 33.24

**Refer Note 33.23

Note No. 10

Inventories

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	3,381.45	5,732.10
Raw materials in transit	-	24.38
Work in process	3,160.27	3,843.81
Finished goods	15,125.24	19,285.28
Finished goods in transit	34.34	34.34
Less: Provision for finished goods in transit	(34.34)	(34.34)
Stock in trade	1,557.90	1,509.81
Stock in trade in transit	21.08	-
Stores and Spares	629.11	692.10
Stores and Spares in transit	5.85	8.64
Less: Provision for obsolete stores and other inventories	(132.15)	(279.69)
Waste	382.08	311.54
Scrap	122.37	149.48
Total	24,253.20	31,277.45

Note No. 11

Trade Receivables

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured, considered good	-	3.35
Unsecured, considered good	1,292.36	2,272.68
Credit impaired	2,392.37	2,374.76
Allowances for doubtful debts	(2,392.37)	(2,374.76)
Total (Current)	1,292.36	2,276.03

Movement in allowances for doubtful debt

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	2,374.76	2,372.49
Allowances recognised during the year	19.69	6.02
Amounts recovered during the year	(2.08)	(3.75)
Balance at the end of the year	2,392.37	2,374.76

Note No. 12

Cash & Cash Equivalents

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	17.69	11.18
Cheques, drafts, stamps in hand	9.26	0.97
Balances with banks	5,758.02	583.24
In fixed deposit with original maturity upto 3 months	592.10	2,294.27
Total	6,377.07	2,889.66

Note No. 13

Bank Balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Employee security deposits	5.85	5.47
In term deposit with original maturity upto 12 months - Earmarked	2,068.56	2,413.23
In term deposit with original maturity more than 3 months upto 12 months	16,954.39	34,766.49
Deposits for margin money	3.28	3.06
Other balances with bank (disputed)*	16.43	16.43
Less: Provision for bank balances	(16.43)	(16.43)
Total	19,032.08	37,188.25

*Refer note no. 33.25

Note No. 14**Current Tax Assets****(₹ in Lakh)**

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax paid (TDS)	826.86	799.27
Total	826.86	799.27

Note No. 15**Assets classified as held for sale****(₹ in Lakh)**

S. No.	Particular	As at March 31, 2020			As at March 31, 2019		
		Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
1.	Plant & Machinery	1,408.02	1,057.64	350.38	1,408.02	1,057.64	350.38
2.	Furniture & fixtures	0.25	0.17	0.08	0.25	0.17	0.08
3.	Electrical fittings	1.65	1.12	0.53	1.65	1.12	0.53
4.	Office & factory equipment	0.64	0.58	0.06	0.64	0.58	0.06
5.	Transfer Development Right (TDR)	141,348.00	-	141,348.00	141,348.00	-	141,348.00
	Total	142,758.56	1,059.51	141,699.05	142,758.56	1,059.51	141,699.05

*Refer note no. 33.12

Note No. 16**Equity Share Capital****(₹ in Lakh)**

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized Equity shares of ₹ 1000 each 50,000,000 equity share	500,000.00	500,000.00
Issued, subscribed and fully paid Equity shares of ₹ 1000 each 30,621,601 equity shares	306,216.01	306,216.01
Total	306,216.01	306,216.01

Reconciliation of number of shares:

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares as at April 01, 2018	30,621,601	30,621,601
Add: No. of shares, share Capital issued/ subscribed during the year		
Equity shares as at March 31, 2019	30,621,601	30,621,601
Equity shares as at April 01, 2019	30,621,601	30,621,601
Add: No. of shares, share capital issued/ subscribed during the year		
Equity shares as at March 31, 2020	30,621,601	30,621,601

Shares in the company held by shareholder holding more than 5 percent

Particulars	As at March 31, 2020	As at March 31, 2019
- Government of India	99.76%	99.76%

Note No. 17

Other Equity

(₹ in Lakh)

Particulars	Reserve and Surplus			Equity instruments through OCI	Revaluation Surplus	Remeasurement gain/(loss) on defined benefit plans	Total
	Capital Reserve	Special Reserve u/s 36 (i) (viii) of the Income Tax Act	Retained Earnings				
Balance as at April 1, 2018	345,584.78	242.48	(448,510.36)	45.95	16,722.89	530.06	(85,384.20)
Profit and loss for the period	-	-	(31,464.64)	-	-	-	(31,464.64)
Other comprehensive income for the year	-	-	-	(6.43)	-	449.42	442.99
Total comprehensive income for the year	-	-	(31,464.64)	(6.43)	-	449.42	(31,021.65)
Balance as at March 31, 2019	345,584.78	242.48	(479,975.00)	39.52	16,722.89	979.48	(116,405.85)
Balance as at April 1, 2019	345,584.78	242.48	(479,975.00)	39.52	16,722.89	979.48	(116,405.85)
Profit for the year	-	-	(34,655.47)	-	-	-	(34,655.47)
Other comprehensive income for the year	-	-	-	(23.37)	-	(332.23)	(355.60)
Total comprehensive income for the year	-	-	(34,655.47)	(23.37)	-	(332.23)	(35,011.07)
Balance as at March 31, 2020	345,584.78	242.48	(514,630.47)	16.15	16,722.89	647.25	(151,416.92)

Note No. 18

Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Lease Liabilities	8.13	-
Earnest money/security deposit	13.78	14.87
Employees security deposit	17.68	18.26
Total	39.59	33.13
Current		
Interest accrued and due on Cash credit from Bank of Mysore*	75.45	75.45
Current maturity of Lease Liabilities	3.78	-
Interest accrued and due on loan from Government of India**	53,751.28	49,067.53
Sundry creditors for machinery	565.62	595.38
Trade deposits	640.54	906.60
Earnest money/security deposit	1,865.30	1,914.31

Particulars	As at March 31, 2020	As at March 31, 2019
Current account with subsidiary companies	226.60	413.00
Contribution towards Textile Museum***	2,000.00	2,000.00
Joint Venture upfront money****	840.00	840.00
Other deposit payables (Chawl etc.)	522.35	522.95
Payable to Workers for Back wages	622.01	629.44
Employee's liabilities for 3rd pay revision	4,939.56	3,479.53
Other employee's liabilities	4,018.30	3,866.70
Interest on Cotton dues and security deposits	1,752.16	1,544.31
Electricity charges payable	1,763.43	2,095.39
Commission payable	281.84	445.65
Expense and Contractual payables	1,229.16	1,558.14
Total	75,097.38	69,954.38

*Refer Note 33.33 (e)

**Refer Note 33.27

***Refer Note 33.22

****Refer Note 33.30 (c)

Note No. 19

Provisions

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
For employee benefits		
Gratuity	8,443.07	8,257.45
Leave salary/ wages	1,298.72	1,284.53
LTC	41.80	46.98
Terminal benefits	62.48	58.66
Total	9,846.07	9,647.62
Current		
For employee benefits		
Gratuity	2,566.08	2,840.91
Leave salary/ wages	403.03	551.33
Sick leave	327.66	445.65
LTC	3.86	7.07
Terminal benefits	3.82	9.47
Total	3,304.45	3,854.43

Note No. 20

Deferred Tax Assets / Liabilities

Movement in deferred tax balances for the year ended March 31, 2019

(₹ in Lakh)

Particulars	"Balance As at April 1, 2018"	Credit/(charge) Recognised in profit & loss	"Balance As at March 31, 2019"
Property, plant and equipment	(9,919.32)	(1,553.79)	(11,473.11)
Sub -Total (A)	(9,919.32)	(1,553.79)	(11,473.11)
Provisions	3,365.70	(73.00)	3,292.70
Unabsorbed depreciation	4,014.12	1,741.15	5,755.27
Carried Forward Business Loss	2,539.50	(114.36)	2,425.14
Sub -Total (B)	9,919.32	1,553.79	11,473.11
Net deferred assets/(liabilities)	-	-	-

Movement in deferred tax balances for the year ended March 31, 2020

(₹ in Lakh)

Particulars	"Balance As at April 1, 2019"	Credit/(charge) Recognised in profit & loss	"Balance As at March 31, 2020"
Property, plant and equipment	(11,473.11)	(1,128.11)	(12,601.21)
Sub -Total (A)	(11,473.11)	(1,128.11)	(12,601.21)
Provisions for Employee benefits	-	4,102.96	4,102.96
Provisions	3,292.70	91.38	3,384.08
Unabsorbed depreciation	5,755.27	(641.09)	5,114.17
Carried forward business loss	2,425.14	(2,425.14)	-
Sub -Total (B)	11,473.11	1,128.11	12,601.21
Net deferred assets/(liabilities)	-	-	-

*Due to lack of virtual certainty of future taxable profits deferred tax assets has been recognised only upto deferred tax liabilities

Reconciliation of effective tax rates

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before tax	(34,655.47)	(31,464.64)
Enacted tax rate	31.20	31.20
Computed expected tax expenses	(10,812.51)	(9,816.97)
Tax expenses for the year	-	-

Note No. 21

Other Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Employee's family welfare fund deposits/Securities	132.49	123.81
Payable to Workers/Employees on behalf of Central Government*	615.32	675.40
Disputed Indirect taxes	340.24	386.88
Disputed Electricity dues	1,141.52	1,311.69
Disputed PF/ESI dues, interest and damages thereon	2,705.47	2,705.08
Others payables	9.85	9.55
Total	4,944.89	5,212.41
Current		
Commissioner of payment in respect of nationalised mills	2,099.67	2,082.47
Controlled cloth subsidy balance	137.42	137.42
Interest on account of Controlled Cloth Subsidy	3,001.83	3,001.83
Advance against sale of assets**	1,204.51	1,204.51
Statutory Dues (TDS, TCS, GST, PF, ESI)	630.88	748.90
Payable to Workers/Employees on behalf of Central Government*	249.54	267.31
Property and water taxes payable	686.20	507.15
Advance against future supplies	200.44	346.66
Advance received for ISDS	167.64	167.64
Other Misc. liabilities	361.66	598.40
Total	8,739.79	9,062.29

*Refer Note 33.24

**Refer Note 33.19

Note No. 22

Borrowings (Current)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured		
Documentary bill purchase from bank	-	-
Other short term loans from banks	73.59	66.70
(Secured by hypothecation of Stores, Raw Materials, Finished Goods, Work in Progress, Trade Deposits and Fixed Deposit)		
Unsecured		
Loan from Government of India*	27,000.00	27,000.00
Total	27,073.59	27,066.70

*Refer Note 33.27

Note No. 23

Trade Payable (Current)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
A) Total outstanding dues to MSMEs (A)*	855.18	502.86
B) Total outstanding dues to other than MSMEs		
- Sundry creditors for raw material	18,603.22	15,219.29
- Sundry creditors for stores, Spare and Tools	538.09	698.22
- Hank yarn obligations	196.50	208.12
- Others (for readymades etc.)	527.57	534.03
Sub-Total (Dues to Other than MSMEs)(B)	19,865.38	16,659.66
Total(A+B)	20,720.56	17,162.52

*Refer Note 33.10

Note No. 24

Revenue from Operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Sale of Products		
Cloth	6,587.94	13,734.43
Yarn	75,206.83	89,917.93
Readymade	797.33	1,220.19
Total A	82,592.10	104,872.55
B. Sale of Services		
Job conversion charges	141.84	63.11
Total B	141.84	63.11
C. Other Operating Revenue		
Sale of waste	2,307.68	3,249.06
Total C	2,307.68	3,249.06
Total A+B+C	85,041.62	108,184.72

Note No. 25

Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Interest Income		
Interest on bank deposits	2,336.03	3,423.04
Interest on delayed payment/lifting	163.90	192.49
Interest on Security Deposits	166.86	272.68
Interest on Loan to British India Corporation*	46.48	-
Interest on Loan to HHEC*	32.54	-
Interest on others	0.34	21.58
Total A	2,746.15	3,909.79
B. Dividend Income		
Dividend from other companies	1.19	0.29
Dividend from joint venture companies	662.91	646.71
Total B	664.10	647.00
C. Other Non Operating Revenue		
Rent income	793.45	611.42
Insurance and other claims	36.38	2.66
Sale of scrap and other unserviceable stores	106.91	99.93
Stock deficit recovered	6.71	4.47
Sundry balances written back	90.11	32.45
Provision written back	181.10	2.33
Cash discount	198.76	111.13
Forfeiture of security deposit (other than sale of assets)	0.35	0.57
Foreign exchange rate difference (net)	4.47	60.15
Export Incentive	59.17	-
Subsidy on Electricity charges	645.68	345.16
Miscellaneous receipts	98.14	182.98
Total C	2,221.23	1,453.25
Total A+B+C	5,631.48	6,010.04

* Refer Note 33.33 (b)

Note No. 26

Cost of Materials Consumed

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials/ Semi finished		
Stock at the beginning of the year	5,756.48	7,522.86
Add : Purchases	48,867.51	66,674.44
Less : Stock at the end of the year	(3,381.45)	(5,756.48)
Raw materials/ Semi finished consumed - sub total	51,242.54	68,440.82
Packing material consumed	1,002.07	1,239.06
Total	52,244.61	69,679.88

Note No. 27

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

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening inventories		
Finished goods		
Cloth	5,662.30	6,013.42
Yarn	13,657.32	11,591.39
Work-in-process	3,843.81	4,522.59
Stock-in-trade	1,509.81	1,836.83
Waste	311.54	364.51
Scrap	149.48	123.09
Total opening inventories (A)	25,134.26	24,451.83
Closing inventories		
Finished goods		
Cloth	4,940.63	5,662.30
Yarn	10,218.95	13,657.32
Work-In-Process	3,160.27	3,843.81
Stock-In-Trade	1,578.98	1,509.81
Waste	382.08	311.54
Scrap	122.37	149.48
Total closing inventories (B)	20,403.28	25,134.26
Total changes in inventories (A-B)	4,730.98	(682.43)

Note No. 28**Employees' Benefit Expenses****(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	25,983.96	26,731.16
Contribution to provident and other funds	2,780.14	2,912.90
Staff welfare expenses	1,123.55	1,352.55
Total	29,887.65	30,996.61

Note No. 29**Finance Cost****(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses		
- Interest on loan from Govt of India	4,683.75	4,683.75
- Interest on bank loan for working capital	4.01	14.51
- Interest on Lease liabilities	1.30	-
- Interest on trade credits	3.77	5.24
- Interest on cotton dues	1,079.60	895.02
- Interest on Earnest Money Deposits/Trade deposits	21.79	25.75
- Interest on provident fund and ESI dues	0.01	0.04
- Interest on other loans and deposits	1.22	8.33
- Interest on other*	155.84	146.04
Total	5,951.29	5,778.68

*Include interest on MVRS contribution to RMMS.

Note No. 30**Depreciation and amortization expenses****(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, plant and equipment	4,870.65	5,300.33
Depreciation on Investment property	19.30	19.30
Depreciation on Right of Use Assets	58.98	-
Amortization of Intangible assets	1.54	2.43
Total	4,950.47	5,322.06

Note No. 31

Other Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores, Spares, Dyes & Chemicals	2,076.97	3,214.37
Power, Fuel and Water	19,150.55	24,144.58
Repairs to machinery	396.32	489.47
Repairs to building	328.50	339.78
Repairs to other assets	71.23	58.94
Processing charges	873.07	464.47
Job charges	44.08	41.87
Stitching charges	6.56	18.99
Hank yarn obligation	38.29	117.07
Rent	148.52	167.47
Rates & taxes	751.36	718.85
Insurance	383.09	178.01
Publication of notices	3.03	17.22
Entertainment expenses	9.92	25.63
Hotel and Incidental	24.51	22.29
Payment to Statutory Auditors		
- For Statutory audits	44.64	35.47
- For Tax audits	13.35	10.53
- For Other services	3.00	3.00
- Reimbursement of expenses	1.91	2.83
Payment to Other Auditors		
- For Internal audits	21.86	21.00
- For Cost audits	5.56	5.84
- For Taxation work	0.19	0.12
- Other matters	-	1.64
For Management services	-	3.89
Postage, telegram & fax	25.13	32.65
Telephones	84.94	97.63
Printing & stationery	77.49	98.93

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Vehicles running & maintenance	49.66	58.39
Legal and professional charges	608.11	1,012.31
Traveling expenses	171.25	242.95
Local conveyance	100.57	163.60
Director's traveling expenses	10.60	8.39
Director's sitting fees	6.96	5.76
Water and electricity charges	235.20	230.33
Miscellaneous expenses	80.28	229.48
Data processing charges	30.27	21.58
Watch and ward expenses	660.44	606.59
Festival expenses	28.91	24.17
Annual maintenance charges	26.14	34.19
Fee and subscription	18.50	21.29
Filing Fee	2.57	0.12
Other administrative expenses	75.54	104.02
Carrying charges on cotton	28.22	15.53
Training & development	11.89	24.57
Meeting/ committee expenses	12.99	19.17
Bank charges	15.08	73.92
Surcharge on water/electricity etc.	-	4.40
Loss due to fire	27.14	35.69
Provisions		
- Trade receivable	19.69	6.02
- Loan	2.09	2.09
- Other assets	1.44	0.20
- Obsolete stores and other inventories	0.27	41.94
Corporate social responsibility	-	2.00
Sales expenses	37.28	72.74
Publicity expenses	38.73	135.13
Export expenses	0.04	0.11
Other incidental, forwarding expenses	109.41	117.32
Total	26,993.34	33,646.54

Note No. 32

Exceptional Items

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Modified voluntary retirement scheme	(8.34)	(132.35)
Profit/(loss) on sale of assets	(1.23)	(1.45)
Loss on demolition of collapsible building by authorities	(18.46)	-
Damages paid to Provident fund authorities	(10.19)	-
Total	(38.22)	(133.80)

Note 33: Disclosure Notes

33.01 Contingent Liabilities:

(₹ in Lakh)

Particulars		As at March 31, 2020	As at March 31, 2019
a	Claims against the company not acknowledged as debts including foreign currency claim towards:		
	- Workmen Compensation	5,509.43	7,603.31
	- Excise and Custom Duty	355.12	465.84
	- Sales Tax/Purchase Tax Disputed	7,191.13	5,856.18
	- Disputed Claims in appeals	664.59	617.89
	- Disputed property tax and other taxes	1,975.70	1,908.10
	- Premium claimed by Government of Maharashtra – New Hind Textile Mills	3,477.62	5,630.16
	- Others	3,853.17	3,689.37
b	Others		
	- Disputed Income Tax Demand	4.55	4.55
	- Estimated damages and interest on PF & ESI dues (pre nationalisation)	213.90	213.90
	- Estimated damages on PF & ESI dues (post nationalisation)	11,892.38	12,039.23
	- Electricity Dues (pre nationalisation/ under litigation)	290.36	104.62
	- Liability Towards export obligations	721.38	721.38
	Total	36,149.33	38,854.53

- a) The company is sufficiently assured that there will be no outflow of resources for liabilities considered as contingent and the outflow of any resource towards interest/penalty on these contingent liabilities is absolutely remote. It is not practically possible to estimate the financial effect towards interest/penalty of these contingent liabilities. Hence, interest/penalty on these contingent liabilities has not been disclosed in the financial statements except in the cases where it can be reliably estimated.
- b) For Claims by the parties for 11 JVs mills for damages towards loss of profits due to cancellation of JVs (plus applicable interest - Please refer note no.33.30)

33.02 Commitments:

Estimated amount of contracts remaining to be executed on capital account and others and not provided for as on reporting periods are as follows :

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contract remaining to be executed on Capital Account	258.12	252.29
Total	258.12	252.29

33.03 Disclosures in respect of Ind AS 107 - Financial Instruments:**A. Financial Instruments by Categories**

The carrying value and fair value of financial instruments by categories are as follows:

(₹ in Lakh as at March 31, 2020)

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments					
- Equity Instruments		-	44.27	44.27	44.27
- Government securities	-	-	0.01	0.01	0.01
- Other non-current investment	-	-	0.53	0.53	0.53
Cash & Cash Equivalents	6,377.07	-	-	6,377.07	6,377.07
Bank Balances other than cash and cash equivalents	19,032.08	-	-	19,032.08	19,032.08
Trade Receivables	1,292.36	-	-	1,292.36	1,292.36
Loans	10,633.99	-	-	10,633.99	10,633.99
Other Financial Assets	7,268.64	-	-	7,268.64	7,268.64
Liabilities:					
Trade Payables	20,720.56	-	-	20,720.56	20,720.56
Borrowings	27,073.59	-	-	27,073.59	27,073.59
Other Financial Liabilities	75,136.97	-	-	75,136.97	75,136.97

The carrying value and fair value of financial instruments by categories are as follows:

(₹ in Lakh as at March 31, 2019)

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments					
- Equity Instruments	-	-	67.64	67.64	67.64
- Government securities	-	-	0.01	0.01	0.01
- Other non current investment	-	-	0.53	0.53	0.53
Cash & Cash Equivalents	2,889.66	-	-	2,889.66	2,889.66
Bank Balances other than cash and cash equivalents	37,188.25	-	-	37,188.25	37,188.25
Trade Receivables	2,276.03	-	-	2,276.03	2,276.03
Loans	9,074.54	-	-	9,074.54	9,074.54
Other Financial Assets	9,116.55	-	-	9,116.55	9,116.55
Liabilities:					
Trade Payables	17,162.52	-	-	17,162.52	17,162.52
Borrowings	27,066.70	-	-	27,066.70	27,066.70
Other Financial Liabilities	69,987.51	-	-	69,987.51	69,987.51

B. Fair Value Hierarchy

All the financial assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy described as follows:

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value:

(₹ in Lakh as at March 31, 2020)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs
Financial Assets					
Investment in Equity Instruments - Quoted	16.24	-	-	16.24	Market Price
Investment in Equity Instruments - Unquoted*	-	-	28.04	28.04	Cost less impairment provision adopted as best estimated of fair value
Investments in Government Securities - Unquoted	-	-	0.01	0.01	Cost less impairment provision adopted as best estimated of fair value
Others Investments	-	-	0.53	0.53	Cost adopted as best estimated of Fair Value
Total	16.24	-	28.58	44.82	

The following table present fair value hierarchy of financial assets and liabilities measured at fair value:

(₹ in Lakh as at March 31, 2019)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs
Financial Assets					
Investment in Equity Instruments - Quoted	39.60	-	-	39.60	Market Price
Investment in Equity Instruments - Unquoted	-	-	28.03	28.03	Cost less impairment provision adopted as best estimated of fair value
Investments in Government Securities - Unquoted	-	-	0.01	0.01	Cost less impairment provision adopted as best estimated of fair value
Others Investments	-	-	0.53	0.53	Cost adopted as best estimate of fair value
Total	39.60	-	28.57	68.17	

Financial assets and liabilities which are measured at amortized cost for which fair values are disclosed:

(₹ in Lakh as at March 31, 2020)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Trade Receivable	-	-	1,292.36	1,292.36
Loans	-	-	10,633.99	10,633.99
Other financial assets	-	-	7,268.64	7,268.64
Total financial assets	-	-	19,194.99	19,194.99
Financial Liabilities				

Particulars	Level 1	Level 2	Level 3	Total
Trade Payables	-	-	20,720.56	20,720.56
Borrowings	-	-	27,073.59	27,073.59
Other financial liabilities	-	-	75,136.97	75,136.97
Total financial liabilities	-	-	122,931.12	122,931.12

Financial assets and liabilities which are measured at amortized cost for which fair values are disclosed

(₹ in Lakh as at March 31, 2019)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Trade Receivable	-	-	2,276.03	2,276.03
Loans	-	-	9,074.54	9,074.54
Other financial assets	-	-	9,116.55	9,116.55
Total financial assets	-	-	20,467.12	20,467.12
Financial Liabilities				
Trade Payable	-	-	17,162.52	17,162.52
Borrowings	-	-	27,066.70	27,066.70
Other financial liabilities	-	-	69,987.51	69,987.51
Total financial liabilities	-	-	114,216.73	114,216.73

The effect of measurement of financial instruments for which fair value has been obtained using significant unobservable inputs (Level 3) is ₹ 21.78 Lakh on Statement of profit and loss and effect on other comprehensive income is Nil during financial year 2018-19 (Previous year 8.11 Lakh on Statement of profit and loss and Nil on Other Comprehensive Income).

C. Financial risk management

Financial risk factors

The company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Trade Receivables

The company has outstanding trade receivables (net of impairment) amounting to ₹ 1,292.36 lakh, and ₹ 2,276.03 lakh, as of March 31, 2020, and March 31, 2019 respectively. Trade receivables are generally unsecured and are derived from revenue earned from customers.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss

or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available credit risk factors such as the Company's historical experience for customers.

Credit risk exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2021	
	Gross	Impairment	Gross	Impairment
Not past due	45.02	-	28.61	-
Past due less than three months	175.03	-	376.30	-
Past due more than three months but not more than six months	14.35	-	149.86	-
Past due more than six months but not more than one year	557.71	-	1,240.07	-
More than one year	2,892.62	2,392.37	2,855.95	2,374.76
Total	3,684.73	2,392.37	4,650.79	2,374.76

Generally trade receivables are impaired after three years when recoverability is considered doubtful based on the Company Trend except in such cases as decided by management as and when required. The Company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality. *(Not past due are the amounts which are yet to be received and is receivable as due date of invoice has not arrived. In case there is no credit period the date of invoice is the due date.)*

Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible since our counterparties are banks which are majorly owned by Government of India and are have oversight of Reserve Bank of India. We consider the credit quality of term deposits with such banks to be good, and we review these banking relationships on an ongoing basis. We consider all the financial assets as at the reporting dates to be of good credit quality.

b) Liquidity Risk

Our liquidity needs are monitored on the basis of yearly projections. The company's principal sources of liquidity are cash and cash equivalents and cash generated from operations.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of Trade payables, expense payables, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the earliest date on which the company can be required to pay the financial liabilities. The table includes both principal & interest cash flows.

(₹ in Lakh as at March 31, 2020)

Particulars	Upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years	Total
Trade Payables	20,637.49	83.07				20,720.56
Borrowings	27,073.59	-	-			27,073.59
Other Financial Liabilities	68,441.20	6,652.92	39.59	1.96	1.30	75,136.97
Total	116,152.28	6,735.99	39.59	1.96	1.30	122,931.12

(₹ in Lakh as at March 31, 2019)

Particulars	Upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years	Total
Trade Payables	17,098.70	63.82	-	-	-	17,162.52
Borrowings	27,066.70	-	-	-	-	27,066.70
Other Financial Liabilities	62,982.06	6,972.32	33.13	-	-	69,987.51
Total	107,147.46	7,036.14	33.13	-	-	114,216.73

33.04 Disclosure in respect of Indian Accounting Standard (Ind AS)-21 “The Effects of changes in Foreign Exchange Rates”

During the year, an amount of ₹ 4.47 Lakh (Previous year of ₹ 60.15 Lakh) on account of exchange differences (net) credited to the Statement of Profit & Loss.

33.05 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 “Impairment of Assets”

During the year, NTC assessed the impairment loss of assets and has disclosed impairment loss (if any) on the assets with under the head of respective asset in the financial statements.

33.06 Disclosure in respect of Indian Accounting Standard (Ind AS)- 19 "Employee Benefit Expenses"

A. General description of various defined employee's benefits schemes are as under:

(i) Provident Fund:

The Company's contribution paid/payable during the year to Provident Fund Trust/ Regional Provident Fund and the liability is recognized on *accrual basis*. The Company's Provident Fund Trusts are exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trusts vis-à-vis statutory rate. The company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment.

The following table sets out the status of assets and liabilities of the provident fund trust as per actuarial valuation:

Valuation Assumption:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Approach for Valuation	Deterministic Approach	
Discount rate	6.84%	7.54%
Guaranteed Rate of Interest	8.50%	8.65%
Reinvestment Period on Maturity	5 Years	5 Years
Weighted Average Yield	8.21%	8.42%
Weighted Average YTM	8.51%	8.77%
Total Number of Employees	655	699
Average Age	44.48 Years	44.51 Years
Average Past Service	13.93 Years	14.13 Years
Average Expected Working Lifetime	11 Years	11 Years
Attrition Rate	2.00% p.a. for all members	
Whilst In service Withdrawal	5.00% p.a. for all members	
Mortality rate during Employment	Indian Assured Lives Mortality Rate (2006-2008)	

Valuation Data Summary

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Provident Fund Corpus/ Obligation	4,326.28	4,331.05
Total Provident Fund Assets (Book Value)	4,582.85	4,647.69
Net Defined (Assets)/Liabilities	(256.57)	(316.64)

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 256.57 Lakh (previous year ₹ 316.64 Lakh) . Accordingly, Company has not recognised the surplus as an asset, as these pertain to the Provident Fund Trust and not to the Company.

(ii) Gratuity

Gratuity is paid to all employees on retirement/separation based on the number of years of service. The disclosure of information as required under Ind AS-19 has been made in accordance with the actuarial valuation.

(iii) Sick Leave:

The liability on this account is recognized on the basis of actuarial valuation.

(iv) Leave Encashment:

Payable on separation to eligible employees who have accumulated earned leave. Encashment of accumulated earned leave is also allowed during service to eligible employees. The liability on this account is recognized on the basis of actuarial valuation.

(v) **LTC:**

Provided to eligible employees for the sanctioned tours during employment as per the Companies Policy. The liability on this account is recognized on the basis of actuarial valuation.

(vi) **Terminal Benefits:**

Provided to the employees after retirement and may also include relocation expenses if the employee was out stationed from his place of residence. The liability on this account is recognized on the basis of actuarial valuation.

B. Movement in actuarial provisions is disclosed in annexure I. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance Sheet & other disclosures are as under:

(i) **Actuarial Assumption:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Method used	Projected Unit Credit Method	
Discount rate	6.87%	7.76%
Rate of salary increase	5.50%	5.50%
Rate of Employee Turnover	2.00%	2.00%
Mortality rate during Employment	Indian Assured Lives Mortality Rate (2006-2008)	

(ii) **Other Details:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
No of Active Members	8,589	9,135
Per Month Salary For Active Members	1,393.73	1,447.06
Weighted Average Duration of the Projected Benefit Obligation	7.00	6.00
Average Expected Future Service	13.00	13.00
Projected Benefit Obligation (₹ in Lakh)	11,009.15	11,098.36
Prescribed Contribution For Next Year (12 Months)	-	-

(iii) **Change in Present Value of Projected Benefit Obligation**

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Present value of obligations as at beginning of year	11,098.36	11,858.37
Interest cost	861.23	922.58
Current Service Cost	558.35	558.66
Benefits paid	(1,841.02)	(1,791.83)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Past Service Cost		-
Actuarial (gain)/loss on Obligations due to change in financial assumption	509.98	10.75
Actuarial (gain)/loss on Obligations due to experience	(177.75)	(460.17)
Present value of obligations as at end of year	11,009.15	11,098.36

(iv) Net Interest Cost for the period

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Present Value of Benefit Obligation at the beginning of the period	11,098.36	11,858.37
Fair Value of Plan Assets at the beginning of the Period	-	-
Net Liability / (Assets) at the beginning	11,098.36	11,858.37
Interest Cost	861.23	922.58
Net Interest Cost for the Current Period	861.23	922.58

(v) The amounts recognized in the balance sheet

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Present value of obligations as at the end of year	(11,009.15)	(11,098.36)
Fair value of plan assets as at the end of the year	-	-
Funded status - Surplus/(Deficit)	(11,009.15)	(11,098.36)
Net Asset/(liability) recognized in balance sheet	(11,009.15)	(11,098.36)

(vi) Expenses Recognized in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Current Service Cost	558.35	558.66
Interest cost	861.23	922.58
Expenses Recognised	1,419.58	1,481.24

(vii) Amount recognized in Other Comprehensive Income (OCI)
(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Actuarial (gain)/loss on Obligation for the period	332.23	(449.42)
Net (Income)/Expenses recognised for the period recognised in OCI	332.23	(449.42)

(viii) Balance Sheet Reconciliation
(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Opening net liability	11,098.36	11,858.37
Expenses recognised in statement of profit and loss	1,419.58	1,481.24
Expenses recognised in Other comprehensive Income	332.23	(449.42)
Net liability/ (Assets) Transfer In	-	-
Net liability/ (Assets) Transfer out	-	-
Benefit paid directly by the employer	(1,841.02)	(1,791.83)
Net liability/ (assets) recognised in Balance Sheet	11,009.15	11,098.36

(ix) Sensitivity Analysis
(₹ in Lakh)

Assumption	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Projected Benefit Obligation on Current Assumptions	11,009.15	11,098.36
Delta Effect of +0.50% change in Discounting	(294.84)	(260.18)
Delta Effect of -0.50% change in Discounting	314.94	278.67
Delta Effect of +0.50% change in rate of Salary Increase	317.62	283.47
Delta Effect of -0.50% change in rate of Salary Increase	(299.89)	(266.79)
Delta Effect of +0.50% change in rate in Rate of Employee Turnover	31.03	48.85
Delta Effect of -0.50% change in rate in Rate of Employee Turnover	(35.44)	(52.18)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(x) Expected Benefit Payments

(₹ in Lakh)

S. No.	Year of Payment	For the year ended March 31, 2020	For the year ended March 31, 2019
		Gratuity	
1.	First following year	2,566.05	2,854.98
2.	Second following year	1,012.58	1,093.57
3.	Third following year	1,362.62	1,514.11
4.	Fourth following year	1,185.14	1,238.34
5.	Fifth following year	967.73	1,108.59
6.	Sum of 6 to 10 years	3,602.45	3,591.55

Gratuity is payable as per company's scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI).

All above reported figures of OCI are gross of taxation

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above for foreseeable future of next 10 years

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

(xi) Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.

Para 139 (b) Risks associated with defined benefit plan.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Para 139 (c) Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Para 147 (a)

Gratuity plan is unfunded.

(xii) Movement in provisions

(a) Gratuity

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	11,098.36	11,904.78
(-) Payment during the year	1,841.01	1,838.24
(+/-) Created/(Written back)	1,751.80	1,031.82
Balance at the end of the year	11,009.15	11,098.36

(b) Leave Salary/ Wages

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	1,835.86	2,098.45
(-) Payment during the year	605.26	693.39
(+/-) Created/(Written back)	471.15	430.80
Balance at the end of the year	1,701.75	1,835.86

(c) Sick Leave

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	445.65	958.85
(-) Availed/Adjusted during the year	36.53	15.53
(+/-) Created/(Written back)	(81.46)	(497.67)
Balance at the end of the year	327.66	445.65

(d) LTC**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	54.05	54.53
(-) Payment during the year	37.56	51.23
(+/-) Created/(Written back)	29.17	50.75
Balance at the end of the year	45.66	54.05

(e) Terminal Benefit**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	68.13	66.86
(-) Payment during the year	6.18	9.46
(+/-) Created/(Written back)	4.35	10.73
Balance at the end of the year	66.30	68.13

33.07 Disclosure in respect of Indian Accounting standard (In AS)-108: “Operating Segments”

Based on the “management approach” as defined in In AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies. The Company has identified two primary business segments i.e. Yarn & Cloth.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The revenue/expenses which are not directly relatable to the Business Segments are shown as unallocated revenue/expenses. Assets & Liabilities that cannot be allocated between the segments are shown as unallocated Assets & Liabilities respectively.

a) Segment Revenue and Expense**Details regarding revenue and expenses attributable to each segment**

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and others are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

Segment revenues and results

(₹ in Lakh as at March 31, 2021)

Particulars	Cloth	Yarn	Others*	Sub total	Unallocated**	Total
REVENUE						
External Sales	6,587.94	75,206.83	797.33	82,592.10	-	82,592.10
Other operating revenue	152.45	2,246.81	50.26	2,449.52	-	2,449.52
Revenue from operations	6,740.39	77,453.64	847.59	85,041.62	-	85,041.62
Other income	-	-	-	-	5,631.48	5,631.48
Total Revenue	6,740.39	77,453.64	847.59	85,041.62	5,631.48	90,673.10
Total Revenue from each segment as a percentage of total revenue of all segment	7.43	85.42	0.93	93.79	6.21	100.00
EXPENSES						
Segment expenses	(6,690.62)	(106,016.13)	(2,868.40)	(115,575.15)	(3,740.42)	(119,315.57)
Results Before Inter-Segment Transfers	49.77	(28,562.49)	(2,020.81)	(30,533.53)	1,891.06	(28,642.47)
Inter segment transfer	(2,987.22)	3,840.40	(861.42)	(8.24)	8.24	-
RESULTS						
Segments results (Profit/loss)	(2,937.45)	(24,722.09)	(2,882.23)	(30,541.77)	1,899.30	(28,642.47)
Interest expenses (external)	-	(53.17)	-	(53.17)	(5,898.12)	(5,951.29)
Provision made		(12.32)		(12.32)	(11.17)	(23.49)
Profit/(loss) before exceptional items and tax	(2,937.45)	(24,787.58)	(2,882.23)	(30,607.26)	(4,009.99)	(34,617.25)
Exceptional items	-	(10.19)	-	(10.19)	(28.03)	(38.22)
Net Profit/(loss)	(2,937.45)	(24,797.77)	(2,882.23)	(30,617.45)	(4,038.02)	(34,655.47)

(₹ in Lakh for the year ended March 31, 2019)

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
REVENUE						
External Sales	13,734.43	89,917.93	1,220.19	104,872.55	-	104,872.55
Other operating revenue		3,312.17		3,312.17	-	3,312.17
Revenue from operations	13,734.43	93,230.10	1,220.19	108,184.72	-	108,184.72
Other income	-		-	-	6,010.04	6,010.04
Total Revenue	13,734.43	93,230.10	1,220.19	108,184.72	6,010.04	114,194.76
Total Revenue from each segment as a percentage of total revenue of all segment	12.03	81.64	1.07	94.74	5.26	100.00
EXPENSES						
Segment expenses	(11,409.61)	(117,615.30)	(2,171.94)	(131,196.85)	(8,550.07)	(139,746.92)
Results Before Inter-Segment Transfers	2,324.82	(24,385.20)	(951.75)	(23,012.13)	(2,540.03)	(25,552.16)

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
Inter segment transfer	(8,580.12)	(2,230.54)	(327.71)	(11,138.37)	11,138.37	-
RESULTS						
Segments results (Profit/loss)	(6,255.31)	(26,615.73)	(1,279.46)	(34,150.50)	8,598.34	(25,552.16)
Interest expenses (external)	-	-	-	-	(5,778.68)	(5,778.68)
Profit/(loss) before exceptional items and tax	(6,255.31)	(26,615.73)	(1,279.46)	(34,150.50)	2,819.66	(31,330.84)
Exceptional items	-	-	-	-	(133.80)	(133.80)
Net Profit/(loss)	(6,255.31)	(26,615.73)	(1,279.46)	(34,150.50)	2,685.86	(31,464.64)

b) Segment assets and liabilities**(₹ in Lakh as at March 31, 2020)**

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
SEGMENT ASSETS						
Segment assets	13,415.08	71,963.30	3,057.75	88,436.13	216,129.28	304,565.41
Total Assets	13,415.08	71,963.30	3,057.75	88,436.13	216,129.28	304,565.41
SEGMENT LIABILITIES						
Segment liabilities	4,714.24	91,063.56	1,425.62	97,203.42	207,361.99	304,565.41
Total Liabilities	4,714.24	91,063.56	1,425.62	97,203.42	207,361.99	304,565.41

(₹ in Lakh as at March 31, 2019)

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
SEGMENT ASSETS						
Segment assets	14,742.99	93,405.58	3,016.39	111,164.96	220,638.68	331,803.64
Total Assets	14,742.99	93,405.58	3,016.39	111,164.96	220,638.68	331,803.64
SEGMENT LIABILITIES						
Segment Liabilities	11,625.93	88,563.33	1,496.10	101,685.36	230,118.28	331,803.64
Total Liabilities	11,625.93	88,563.33	1,496.10	101,685.36	230,118.28	331,803.64

*Segment "Other" represents the income, results, expenses, assets, liability of Marketing Divisions

***"Unallocated" represents the income, results, expenses, assets, liability of Closed Mills, Regional Offices

c) Information about major customers

During the current year as well as previous year, the company do not have any major customer having transactions more than 10% revenue of the company.

33.08 Disclosure in respect of Indian Accounting Standard (Ind AS)- 24 “Related Parties Disclosures”
A Disclosure for Other than Govt. Related Entities
a) Subsidiaries/Joint Ventures

S. No.	Name of subsidiary/Joint Ventures	Relationship	% of shareholding
1.	Aurangabad Textiles & Apparel Parks Ltd.	Joint Venture*	51
2.	New City of Bombay Mfg. Mills Ltd. (SP – Alok Industries Ltd.)	Joint Venture*	51
3.	Apollo Design Apparel Parks Ltd.	Joint Venture*	51
4.	Goldmohur Design & Apparel Parks Ltd.	Joint Venture*	51
5.	India United Textiles Mills Ltd.	Joint Venture*	51
6.	Swadeshi Mining & Manufacturing Limited	Subsidiary	97.91

* In the financial statements for FY 2018-19, these companies were disclosed as Subsidiaries Companies, however considering opinion of Expert Advisory Committee of ICAI, the same has been disclosed as Joint Venture Companies in financial statements of FY 2019-20. The above change do not have any impact upon the accounting of investment in Standalone financial statements.

b) Associates

Name of subsidiary	% of shareholding
Swadeshi Polytex Limited	33.63

c) List of Key Management Personnel and Directors

S. No.	Name	Designation
1.	Sh. Nihar Ranjan Dash	Chairman & Managing Director (w.e.f. 09.04.2019)
2.	Sh. R. K. Sinha	Director - Human Resource (Date of cessation - 15.05.2019)
3.	Sh. Ashutosh Gupta	Director-Human Resource(w.e.f 12.01.2021)
4.	Dr. Anil Gupta	Director - Finance (upto 28.11.2019)
5.	Dr. Subhash Chandra Pandey	Govt. Nominee Director (upto 14.06.2019)
6.	Smt. Aditi Das Rout	Govt. Nominee Director (upto 14.06.2019)
7.	Sh. Prem Kumar Kataria	Govt. Nominee Director (w.e.f. 14.06.2019)
8.	Sh. Vijoy Kumar Singh	Govt. Nominee Director (w.e.f. 14.06.2019)
9.	Sh. Anil B. Joshi	Independent Director (Upto 29.01.2020)
10.	Smt. Anita Agarwal	Independent Director (Upto 29.01.2020)
11.	Sh. Devendra Daga	Independent Director (Upto 29.01.2020)
12.	Smt. Bindu Sharma	Director - Finance (w.e.f. December 01, 2019 to July 21, 2020)
13.	Sh. Inderpal Singh Sandhu	Director - Finance (w.e.f. October 16, 2020)
14.	Sh. Pankaj Agarwal	Company Secretary

d) Government and its related entities

- Government of India- holds 99.76% of equity shares of the company and exercise control over the company.
- Central Public Sector Enterprises (CPSEs) in which Government of India exercise control.

e) Compensation of Key Management Personnel and Directors

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term benefits	53.79	82.68
Post-employment benefits	6.94	1.80
Other long-term benefits	1.49	8.47
Sitting fees to Independent Directors	6.96	5.76
Total	69.18	98.71

f) Loans to Subsidiaries and Associates

(₹ in Lakh)

Particulars	Swadeshi Mining & Manufacturing Limited		Swadeshi Polytex Limited	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Loans at beginning of the year	1,111.75	1,111.75	179.15	179.15
Balance at end of the year including interest	1,111.75	1,111.75	179.15	179.15
Provision for bad and doubtful debts	(1,111.75)	(1,111.75)	-	-

g) Disclosure for transactions entered with Govt. and Govt. Entities

(₹ in Lakh as at March 31, 2020)

Sl. No.	Name of Govt/Govt. Entities	Nature of relationship with the company	Nature of transaction	Amount	Outstanding Balances	
					Receivable	Payable
1	Govt. of India	Majority owner	Interest on loan	4,683.75	-	80,751.28
			Sales	621.52	176.35	0.69
2	Cotton Corporation of India	Related through GOI	Interest Expense	721.89	-	5,039.11
			Purchase	15,594.55	-	-
			Sales	0.49	-	-
3	Other CPSEs	Related through GOI	Sales	263.91	225.28	-
			Purchase	31.05	0.05	0.40
			Rental Income	67.82	-	-

*Refer note no. 33.33(b)

(₹ in Lakh as at March 31, 2019)

Sl. No.	Name of Govt/Govt. Entities	Nature of relationship with the company	Nature of transaction	Amount	Outstanding Balances	
					Receivable	Payable
1	Govt. of India	Majority owner	Interest on loan	4,683.75	-	71,383.78
			Sales	310.16	50.04	-
2	Cotton Corporation of India	Related through GOI	Interest Expense	797.48	-	4,915.73
			Sales	0.12	-	-
			Purchase	22,552.21	-	-
3	Other CPSEs	Related through GOI	Sales	2,873.51	2,456.56	-
			Purchase	0.45	-	0.73
			Rental Income	524.99	79.45	-

*The transactions entered with related parties are on arms length price

Note No. 33.08

h) Transactions with Related Parties

(₹ in Lakh)

Particulars	Apollo Design App Parks Ltd		Goldmohur Design & App Parks Ltd		Aurangabad Textiles & App. Parks Ltd.		New city of Bombay Mfg. Mills Ltd.		India United Textiles Mills Ltd.		Swadeshi Mining & Mfg. Co. Ltd.	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Dividend received	158.48	158.48	164.09	164.09	-	-	-	-	340.34	324.13	-	-
Rent received/ receivable	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	-	-
Other transactions - Sales	-	21.17	-	19.89	-	-	-	-	-	27.14	-	-
Other transactions - Interest earned on behalf of subsidiary	-	-	-	-	-	-	-	-	-	-	-	5.64
Other transactions - Expenses reimbursable from subsidiary	0.07	0.12	0.07	0.12	0.03	0.12	0.03	0.12	0.03	0.12	186.39	5.76

i) Outstanding balances

(₹ in Lakh)

Particulars	Apollo Design App Parks Ltd		Goldmohur Design & App Parks Ltd		Aurangabad Textiles & App. Parks Ltd.		New city of Bombay Mfg. Mills Ltd.		India United Textiles Mills Ltd.		Swadeshi Mining & Mfg. Co. Ltd.	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Trade Payables	-	-	-	-	-	-	218.18	218.18	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-	-	-	8.42	194.82
Other Receivables	-	0.12	91.90	91.93	-	0.03	8.42	8.39	-	0.12	61.64	61.64

3.09 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share (EPS)”

A. Basic & Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted EPS and basic & diluted EPS is as follows:-

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit /(loss) for the year, attributable to the owners of the company (In ₹ Lakh)	(34,655.47)	(31,464.64)
Weighted average number of ordinary shares for the purpose of basic earnings per share	30,621,601	30,621,601
Basic & Diluted EPS (Amount in ₹)	(113.17)	(102.75)

33.10 Dues to Micro, Small and Medium Enterprises

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Principal amount remaining unpaid	850.86	501.42
(b) the interest due on above principal amount remaining unpaid	4.32	1.44
c) The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

33.11 Discontinued Operations

The company is continuing all activities of operation and hence in the opinion of management Ind AS -105 related to Discontinued Operation is not applicable.

33.12 Assets held for Sale

During the financial year 2016-17, Transferable Development Right (TDR) of value ₹ 1413.48 crore received from Government of Maharashtra in consideration of handing over of land admeasuring 48415 sq. mtrs. (approx.) of India United Mill No. 6 to Mumbai Metropolitan Region Development Authority (MMRDA) for construction of grand memorial of Bharat Ratna Dr. Baba Saheb Ambedkar and the said TDR was classified as “Assets Held for Sale” as the corporation’s intention was to sell the same during 2017-18. The same could not be disposed off in previous years on account of involvement of issues like nomination of state government representative in proposed sale committee, selection of sales consultant, preparation of bid documents etc. During the previous years, corporation has initiated the process by constituting a sale committee with state government representative and prepared a draft tender document for appointment of consultant.

"However, the Board of NTC in its 381st meeting held on 09/08/2018 resolved that since the amount of consideration to be received by NTC from sale of TDR is fixed therefore, Ministry of Textile requested to take up the issue with Government of Maharashtra for sale of TDR at their end. The same was informed by NTC to the Joint Secretary, the Trade Advisor, MOT vide letter no. NTC/AM/2018 dated 01/10/2018.

Minister of Textiles, Government of India vide DO letter dated 26/07/2019 conveyed to the Chief Minister of Maharashtra to issue immediate directions to the department concerned to facilitate the sale of TDRs through its own agencies as per prescribed procedure in time bound manner.

The management of NTC remains committed in its decision to sale the TDR by observing all possible formalities and as the delay in sale of TDR is caused by events/circumstances beyond the control of NTC and as such asset is available for immediate sale in its present condition and having its readily available market for sale, therefore same is being continued as "Assets Held for Sale" during 2019-20 in line with Ind-AS 105

The expenses on realisation of TDR (if any) will be accounted as and when incurred.

During the previous years, old worn out items of plant & machinery, furniture & fixtures and equipment etc. of net carrying value of ₹ 351.07 Lakh which were identified by the company for disposal and accordingly classified as "Asset held for sale" as per Ind AS 105. During the financial year 2019-20, the company made its best efforts to sell these assets. All the required formalities had been done by the company to process sale of these assets. However, during this process MoT directed the company to get the valuation done for all its properties through NBCC. The company will go for sale of these assets soon after completion of the valuation process that is expected to be completed within a short period of time.

These situations were not expected to occur at the time of classification of assets held for sale and were also beyond the control of the company. The sale of these assets is highly probable during the year 2020-21. Accordingly, these assets have been classified under "Assets Held for Sale" in the financial statements for Financial Year 2019-20."

**Refer Note No.15*

33.13 Tax Liabilities

- (a) Board for Industrial and Financial Reconstruction (BIFR) vide order dated 05.09.2008 directed "CBDT to consider to grant exemption to NTC from Wealth Tax, Capital Gain Tax and Section 41(1) of the Income Tax Act and interest thereon.
- (b) Central Board for Direct Taxes (CBDT) challenged the directions of Hon'ble BIFR & filed an Appeal (in the form of Miscellaneous Application i.e. MA) before Appellate Authority of Industrial & Financial Reconstruction (AAIFR) praying to delete the Income Tax Relief and stay the operations of Hon'ble BIFR order for granting exemptions of Wealth Tax, Capital Gain Tax and Section 41(1) of Income Tax Act. AAIFR vide its order dated 28.09.2012 has remanded back the case to BIFR to re-examine the same.
- (c) As per BIFR order dated 20.10.2014, NTC ceases to be a sick industrial company, within the meaning of Section 3(1) (o) of SICA, as its net worth has turned positive and discharged from the purview of SICA/BIFR with the direction that unimplemented provisions of the Modified Sanctioned Scheme (MS – 2008) to be implemented by all the concerned and all the pending Appeals & Miscellaneous Applications (MAs) have become infructuous. The same has been reiterated in its hearing held on 15.09.2015.

- (d) BIFR Order dated 20.10.2014 was challenged by NTC before AAIFR on 19.01.2015. AAIFR in its hearing held on 17.12.2015 has directed that the unimplemented provisions of the Modified Sanctioned Scheme (MS – 2008) shall continue to be monitored by the BIFR for its implementation notwithstanding its discharge from purview of SICA.
- (e) No provision has been made in the books of accounts during the current financial year 2018-19.

33.14 Status of sanctioned scheme of BIFR

- (a) The Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 25.7.2002 sanctioned a Rehabilitation Scheme for NTC. The Scheme with Modifications (MS-08) was extended up to 31.3.2012.
- (b) However, as per BIFR order dated 20.10.2014, NTC ceases to be a sick industrial company, within the meaning of Section 3(1) (o) of SICA, as its net worth has turned positive and discharged from the purview of SICA/BIFR with the direction that unimplemented provisions of the Modified Sanctioned Scheme (MS – 2008) to be implemented by all the concerned.
- (c) BIFR, on application filed by NTC on 07.01.2015 towards implementation of unimplemented portion of sanctioned scheme, in its hearing held on 15.09.2015 reiterated the direction that unimplemented provisions of the Modified Sanctioned Scheme (MS – 2008) to be implemented by all concerned.
- (d) BIFR Order dated 20.10.2014 was also challenged by NTC before Appellate Authority for Industrial & Financial Reconstruction (AAIFR) on 19.01.2015. The Order of BIFR was challenged by Rashtriya Mill Mazdoor Sangh, Mumbai before the AAIFR.
- (e) AAIFR in its hearing held on 17.12.2015 directed that the unimplemented provisions of the Modified Sanctioned Scheme (MS – 2008) continued to be monitored by the BIFR for its implementation notwithstanding its discharge from purview of SICA.

33.15 Reserve and Surplus

Capital Reserve represents excess of Assets over Liabilities taken over at the time of Nationalization of the Mills and subsequent adjustments thereon and waiver of loans.

33.16 Title Deeds of properties pending for transfer as ownership in Dispute

- (a) Transfer of certain immovable properties in favor of the Company is pending as same are under dispute and transfer of some of the quoted/unquoted shares and other investments in the name of Company is under process. However, by virtue of Nationalization Act 1974/1986/1995 the rights, title & interest of the owner in relation to the textile undertakings stand transferred to and vest absolutely in Central Govt./NTC.

- Summarized information is given below:

S. No	Particular of the Assets	Location	Area in Sq. Meter / No. of Qtrs	Book Value (₹ in lakh)	Occupied by NTC (Yes/No)
Title Deeds not available					
1	IMU Mill, Indore Land	Mill Area	67,056	Nil	Yes
2	Luxmi Narayan Cotton Mills	Rishra, Dist. Hooghly, West Bengal	41,682.62	1.85	Yes
3	Sodepore Cotton Mills	Rishra, Dist. Hooghly, West Bengal	36,704.84	2.71	Yes

S. No	Particular of the Assets	Location	Area in Sq. Meter / No. of Qtrs	Book Value (₹ in lakh)	Occupied by NTC (Yes/No)
4	Arati Cotton Mills	Dasnagar, Dist. Howrah, West Bengal	54,389.53	6.75	Yes
5	Associated Industry Assam	Chandrapur, Assam	5,161,252.00	1.81	Yes(Partly)
6	Land	Scope Complex, New Delhi	4,226.35	52.35	Yes
7	Land	Plot No.4, Vijai Nagar	2.90 acre	0.15	No
8	Bungalow	16 Cantt.	12.94 acre	2.94	No
9	Land	Plot No.396, Shastri Nagar	1.30 acre	0.07	No
10	Land	Plot No.9, O Block, Geeta Nagar	9.53 acre	0.48	No
11	Bungalow	16/19(16/58 New), Civil Lines, Kanpur 16/19A(16/58 New), Civil Lines, Kanpur	0.73 acre	2.25	No
12	Flat*	Asiad Village, New Delhi	234.12	8.27	Yes
13	Laxmi Ratan Cotton Mills, Kanpur	122/1, Sarojni Nagar	90,110.00	1.12	NO
14	Laxmi Ratan Cotton Mills, Kanpur	Plot No. 12 GT Road	38,439.00	0.48	NO
15	Laxmi Ratan Cotton Mills, Kanpur	17(New No. 16), Cantt., Kanpur	52,231.00	2.94	NO
16	Laxmi Ratan Cotton Mills, Kanpur	396, Shastri Nagar	5,260.00	0.07	NO
17	Laxmi Ratan Cotton Mills, Kanpur	Plot No. 4, Vijai Nagar	11,717.00	0.15	NO
18	Laxmi Ratan Cotton Mills, Kanpur	84/28, Kalpi Road	54,561.00	0.68	YES
19	Laxmi Ratan Cotton Mills, Kanpur	84/27, Fazal Ganj	19,481.00	0.24	NO
20	Laxmi Ratan Cotton Mills, Kanpur	15/68,69 Civil Lines	19,226.00	11.80	PARTIAL
21	Laxmi Ratan Cotton Mills, Kanpur	119/1012,1015 &1016 Darshanpurwa	12,320.00	0.15	YES
22	Laxmi Ratan Cotton Mills, Kanpur	55/113, General Ganj	1,173.60	1.47	NO
23	Laxmi Ratan Cotton Mills, Kanpur	53/18, Collector Ganj	1,543.00	1.26	NO
24	New Victoria Mills, Kanpur	14/1,Civil Lines,Kanpur	113,970.50	52.55	YES
25	New Victoria Mills, Kanpur	14/91 and 14/92 Civil Lines, Kanpur	12,334.42		YES
26	Muir Mills, Kanpur	14/117, Civil Lines	141,275.88	39.87	YES
27	Muir Mills, Kanpur	14/117, Civil Lines(West Field)	4,370.61	5.14	YES

S. No	Particular of the Assets	Location	Area in Sq. Meter / No. of Qtrs	Book Value (₹ in lakh)	Occupied by NTC (Yes/No)
28	Muir Mills, Kanpur	14/116, Civil Lines, Smith Square, Kanpur	18,494.15	5.87	PARTIAL
29	Muir Mills, Kanpur	14/67, Civil Lines, Johnson Square	15,459.00	4.35	YES
30	Muir Mills, Kanpur	14/82, Civil Lines, 14/82, (Sylverton, perpetual lease)	13,516.51	3.18	PARTIAL
31	Muir Mills, Kanpur	15/1, Civil Lines, Bachelor Quarter	5,989.35	1.47	YES
32	Shree Vikram Cotton Mills, Lucknow	SVCM, Lucknow	39,902.04	4.00	YES
33	Swadeshi Cotton Mills, Mau	SCM Shadatpura, Mau, UP	73,248.17	98.13	YES
34	Atherton Mills, Kanpur	Mills Area	60,419.61	1.30	PARTIAL
35	Atherton Mills, Kanpur	84/19, Play Ground	14,366.35		YES
36	Atherton Mills, Kanpur	84/45, 84/46	20,193.83		NO
37	Swadeshi Cotton Mills, Kanpur	Mills Area	122,943.00	0.63	YES
38	Swadeshi Cotton Mills, Kanpur	Residence	85,024.53		YES
39	Swadeshi Cotton Mills, Kanpur	Swadeshi Bagh	12,869.00		YES
40	Swadeshi Cotton Mills, Kanpur	Swadeshi House	21,488.83		NO
41	Swadeshi Cotton Mills, Kanpur	Anandpuri Plot (14 Plots)	23,949.32		PARTIAL
42	Bijli Cotton Mills, Hathras	BCM, Hathras	23,552.73	0.53	NO
43	Bijli Cotton Mills, Hathras		7,041.54		
44	Buildings	Buildings(Factory & Non-Factory)		9.92	YES
Title in Dispute					
1	Freehold Land	Mathura(WRO)	29,188	NA	No
2	Freehold Land	RSRG Spinning and Weaving Mills, Akola	2,409	-	No
3	Land of KTM & PWM	Kharar	2,16,013.03	1.41	151028.98-NTC 64984.05- Others
4	Lord Krishna Textile Mills, Saharanpur	LKTM, Saharanpur	101,674.51	NA	Yes
5	Land	Darashivpuri, Saharanpur	6,316	NA	Yes
6	Land	Shivpuri Ramghat, Saharanpur	10,567	NA	No
7	BNC Mill, Rajnandgaon	Leasehold Land, Baldeobag	48,873	Nil	Yes

* Papers have been submitted for issuance of title deed to the concerned authority. Title deed is yet to be receive.

- (b) Property, Plant and Equipment's at Laxmi Rattan Cotton Mills, Kanpur include land valuing ₹18.35 lakh and non-factory building valuing ₹4.65 lakh (deemed cost ₹ 0.23 lakh), in respect of six properties out of which five properties had been transferred by the erstwhile owners in the pre nationalization period to third parties on the basis of agreement to sell. The matter in respect thereof is under dispute with the respective parties.

The details of land and building are as follows:-

Land & Building description	Status	Total	Land	Building
i) 55/113, General Ganj, Kanpur	Not in possession	1.47	1.17	0.30
ii) 73/12, Collector Ganj, Kanpur	-do-	1.61	1.23	0.37
iii) 16, Cantt, Kanpur	-do-	5.20	2.62	2.58
iv) 16/19, Civil Lines, Kanpur	-do-	2.25	1.77	0.48
v) 15/69, Civil Lines, Kanpur*	-do-			
vi) 15/68, Civil Lines, Kanpur*	Under possession	12.47	11.56	0.91
	Total	23.00	18.35	4.64

*Separate valuation of properties 15/68-69, Civil Lines, Kanpur is not available.

- (c) In respect of Lord Krishna Textile Mills, Saharanpur, mutation of ownership in respect of land (including building) incorporating company's name is sub-judice, pending decision of High Court.
- (d) At Lord Krishna Textile Mills, Saharanpur, the value of land has been included in the value of building and has not been separately disclosed.
- (e) The title of Agricultural land measuring 56 Acres 7 Kanal 21 Marla (2,30,685.97 square meters) of Panipat Woollen Mills, Kharar & Kharar Textile Mills, Kharar is in dispute with erstwhile owner of these mills. This case has been travelled up to Supreme Court and finally Supreme Court had remanded back this matter to trial court. The trial court has dismissed the title suit filed by the erstwhile owner, erstwhile owner has filed an appeal in District Court, Mohali.

33.17 Properties & Assets under unauthorised occupation

- (a) Some of the staff Quarters/Workers Chawls/Building Premises/Godowns, shops and land are under unauthorised occupation for which eviction proceedings are pending before Estate Officer / High Court. As and when the outcome of the case is known, necessary adjustments will be made in the books of accounts.

Summarized information is given below:

S. No	Particular of the Assets	Location	Area in Sq. Meter/ No. of Qtrs	Book Value (Amount in ₹)	Occupied by NTC (Yes/No)
1	Freehold Land	7 locations in Maharashtra	2,01,774	9,35,884	No
2	Leasehold Land	2 locations in Maharashtra	2,78,481	2,971	No
3	Land	Akola	596	2,59,816	No
4	Staff Qtrs /Shops /Chawls,etc	18 locations in Maharashtra	76,813	23,92,997	No
5	Staff Qtrs /Shops /Chawls,etc	Akola	635	5,857	No
6	Flat in the Society	Bandra West, Mumbai	165	-	No

S. No	Particular of the Assets	Location	Area in Sq. Meter/ No. of Qtrs	Book Value (Amount in ₹)	Occupied by NTC (Yes/No)
7	Chawls/Rooms of Ahd. New Tex.Mill (freehold)	O/s Raipur Gate,Ahd.	3,115	NA	No
8	Chawls/Rooms of Ahd. Jupiter Tex.Mill (17,560 Freehold, 2210 Leasehold)	O/s Mill,Dudheswar Road,Ahd.	19,770	NA	No
9	Chawls/Rooms of Jehangir Tex.Mill (leasehold)	O/s Mill,Devjipura, Shahibaug,Ahd.	10,319.60	NA	No
10	Chawls/Rooms of New Manek Chawh Tex.Mill (on leasehold land)	Opp.Idgah Police Chowky, Ahd.	4,906	NA	No
11	Bardolpura – Godowns (on leasehold land)	Bardolpura, Ahd.	3,593	NA	No
12	Chawl/ Rooms of Fine Knitting Mills (on leasehold land)	Outside mill premises, Asarwa, Ahd.	1,133	NA	No
13	Kerala Laxmi Mills	Thrissur	1,21,405	61,700	No
14	Kerala Laxmi Mills	Thrissur	19,425	9,872	No
15	Kerala Laxmi Mills	Thrissur	2,104	809	No
16	Tirupati Cotton Mills	Renigunta	2023	NA	No
17	Tirupati Cotton Mills	Renigunta	8,035.62	NA	No
18	MSK Mills	Gulbarga	400Sq.Feet x 52 qtrs	NA	No
19	MSK Mills	Gulbarga	18,311.85	NA	No
20	Minerva Mills	Bangalore	4,006	30,000	No
21	Minerva Mills	Bangalore	4,856	36,000	No
22	Alagappa Textile	Alagappanagar	1,821	5991	No
23	Azam Zahi	Warrangal	60,217	56,000	No
24	Coimbatore Murugan Mills	Coimbatore	23,674	0	No
25	Land(UCM)	Temple/Playground	768.89	60.59	No
26	Land(UCM)	Labour Colony	4572.9	699.65	No
27	Land(STM)	Khasra N0.347/1	3442.2	1721	No
28	Land(STM)	Khasra N0.347/1	126.4	63	No
29	Land(STM)	Khasra N0.347/1	126.4	63	No
30	Land(STM)	Khasra N0.347/1	126.4	63	No
31	Land(STM)	Khasra N0.347/1	126.4	63	No
32	Land(STM)	Khasra N0.347/1	126.4	63	No

S. No	Particular of the Assets	Location	Area in Sq. Meter/ No. of Qtrs	Book Value (Amount in ₹)	Occupied by NTC (Yes/No)
33	Land(STM)	Khasra N0.347/1	75.9	38	No
34	Land(STM)	Khasra N0.347/1	126.4	63	No
35	Land(STM)	Khasra N0.347/1	126.4	63	No
36	Land(STM)	Khasra N0.347/1	252.9	126	No
37	Land(STM)	Khasra N0.347/1	126.4	63	No
38	Land(STM)	Khasra N0.347/1	126.4	63	No
39	Land(STM)	Khasra N0.347/1	177	88	No
40	Land(STM)	Khasra N0.347/1	151.7	76	No
41	Land(STM)	Khasra No.165 & 347/1	202.3	101	No
42	Land(STM)	Khasra No.347/1	4780	2301.65	No
43	Land(STM)	Khasra No.347/1	682.8	341	No
44	Land(STM)	Khasra No.347/1	394.5	197	No
45	Land(STM)	Khasra No.347/1	335.3	168	No
46	Land(STM)	Khasra No.347/1	139.1	70	No
47	Land(STM)	KTM Colony	139.1	70	No
48	Shop No.27 & 1 Qtr.(KTM)	KTM Colony	104.52	NIL	NO
49	Shop No.21 & 1 Qtr.(KTM)	KTM Colony	104.52	NIL	NO
50	Shop No.24(KTM)	KTM Colony	29.26	NIL	NO
51	Shop No.20(KTM)	KTM Colony	29.26	NIL	NO
52	Shop No.23(KTM)	Kharar	29.26	NIL	NO
53	Agricultural Land (KTM)	Near Prince Mkt,Kharar	43640.52	NIL	NO
54	Land(PWM)	Behind FCI Godown, Kharar	5644.24	NIL	NO
55	Land(PWM)	Khuni Mazra, Kharar	1103.76	NIL	NO
56	Land(PWM)	Badala Road,Kharar	10435.56	NIL	NO
57	Land(PWM)	Badala Road,Kharar	476.98	NIL	NO
58	Land(PWM)	Bijayanagar	877.98	NIL	NO
59	Quarter(SBCM)	Bijayanagar	64.66	NIL	NO
60	Quarter(SBCM)	Bijayanagar	31.91	NIL	NO
61	Quarter(SBCM)	Bijayanagar	50.85	NIL	NO

S. No	Particular of the Assets	Location	Area in Sq. Meter/ No. of Qtrs	Book Value (Amount in ₹)	Occupied by NTC (Yes/No)
62	Quarter(SBCM)	Bijayanagar	47.55	NIL	NO
63	LRCM(Land & Building)	15/69, Civil Lines	0.9613 acre	11,79,723 (Including Value of 15/68, Civil Lines, Kanpur also.	No
64	LRCM(Building)	119/505(1-A, LRCM Officers Colony)	NA	NA	No
65	LRCM(Land & Building)	119/505(1-A, LRCM Officers Colony)	120 Sq. Mtrs	NA	NO
66	LRCM(Building)	119/505,(9-A&B, LRCM Officers Colony)	250 Sq. Mtrs	15,348.00	No
67	LRCM(Building)	10-B, LRCM Officers Colony, UP	12.26 Sq. Mtrs	NA	No
68	LRCM(Building)	11-B, LRCM Officers Colony, UP	12.26 Sq. Mtrs	NA	No
69	LRCM(Land & Building)	12,13,14-A&B, LRCM Officers Colony, UP	750 Sq. Mtrs	NA	No
70	LRCM(Building)	119/506, 119/507(1 & 2, Darshan Purwa), UP	NA	NA	No
71	LRCM	119/1095, Darshan Purwa, UP	NA	NA	No
72	LRCM(Land & Building)	84/22, Fazalganj, Kanpur, UP	4.83 Acres	24,346.00	No
73	LRCM(Land & Building)	73/18, Collectorganj, Kanpur, UP	0.38 Acres	1,25,906	No
74	Muir Mill(Building)	14/117, Civil Lines, Kanpur, UP	62.33 Sq. Mtrs	NA	No
75	Muir Mill(Building)	14/116, Civil Lines, Kanpur, UP	0.40 Acres	NA	No
76	Muir Mill(Land & Building)	14/67, Civil Lines, Kanpur, UP	1.84 Acres	NA	No
77	Muir Mill(Building)	15/1, Civil Lines, Kanpur, UP	0.062 Acres	NA	No
78	Atherton(Land & Building)	84/45 & 46, Fazal Ganj, Kanpur, UP	5.17 (4.99 as per KDA Survey)	14,760.00	No
79	SCM KANPUR (Land & Building)	Swadeshi House, UP	5.31 acre	NA	No
80	SCM KANPUR (Land)	Anandpuri, 133/60, Juhi, Kanpur	1.204 Acres	NA	No
81	LKTM (Land & Building)	Shivpuri, Ramghat, Saharanpur, UP	10,567 Sq.Mtrs	NA	No
82	LRCM (Land)	Plot No.4, Vijai Nagar	2.9 Acres	14597.75	No
83	LRCM (Land)	Plot No.396, Shastri Nagar	1.30 Acres	6552.74	No
84	LRCM (Land)	Plot No.9, O Block, Geeta Nagar	9.53 Acres	47885	No
85	LKTM (Land)	Darashivpuri, Saharanpur (Molases Pit)	14431 Sq. Mtrs	NA	No
86	LRCM(Land & Building)	55/113, General Ganj, Kanpur	595 Sq Mtrs.	147301.05	No

S. No	Particular of the Assets	Location	Area in Sq. Meter/ No. of Qtrs	Book Value (Amount in ₹)	Occupied by NTC (Yes/No)
87	LRCM (Land & Building)	16/19(16/58 New), Civil Lines, Kanpur	0.73 Acres	225154.94	No
88	LRCM (Land & Building)	16/19A(16/58 New), Civil Lines, Kanpur			No
89	LRCM(Land & Building)	17(New No. 16), Cantt., Kanpur	12.94 Acres	294469.69	No
90	LRCM(Land & Building)	119/105, Darshan Purwa (13 Nos)	288 Sq. Mtrs.	NA	No
91	Muir Mill(Building)	14/82, Civil Lines, Kanpur	65.49 Sq. Mtrs	NA	No
92	IMU Mill, Indore Quarters	Govind Nagar, Indore, MP	4,126/148	3,468.00	No
93	IMU Mill, Indore Quarters	Malwa Gin, Indore, MP	2,785/29	2,340.00	No
94	Hira Mill, Ujjain, Staff Quarters	Hira Mill campus, MP	739.91/7	406.00	No
95	Hira Mill, Ujjain, LIG Quarters	Arvind Nagar, MP	559.42/11	307.00	No
96	Hira Mills, Ujjain, Chawl Quarters	Chawl Area, MP	9,980.08/459	6,030.00	No
97	Hira Mills, Ujjain, Chawl Quarters	Chawl Area, MP	789.69/33	434.00	No
98	BNC Mill, Rajnandgaon, Land	Land	43,908.39 Sq. Mtrs	NA	No
99	NBT, Bhopal, Mill Quarter 6/10	Mill Staff Colony, MP	72.5	3,000.00	No
100	Mill Quarter	Mill Staff Colony, MP	316.8	13,109.00	No
101	Drainage	Mill Staff Colony, MP	9,146.62	NA	No
102	BT Mill, Burhanpur Mill Chawl Quarter	Lalbag, MP	5,397/248	2,49,828	No
103	BNC Mill, Rajnandgaon, Quarters	Baldeobag, MP	864/27	Not available separately	No

33.18 Pending disputes with regard to Freehold/ Leasehold land

Summarized information is given below:

S. No	Particular of the Assets	Location	Area in Sq. Meter	Book Value (Amount in ₹)	Occupied by NTC (Yes/No)
1	Freehold land	10 locations in Maharashtra	60,619	2,39,650	Partly
2	Leasehold land	7 locations in Maharashtra	1,90,155	501,816	Partly
3	Leasehold land	Barshi Mills, Solapur	734	10	Yes
4	Leasehold land	Digvijay Mills, Mumbai	37,286	-	Yes
5	Leasehold land	Rajnagar Tex. Mill No.1	33,479	NA	Yes
6	Leasehold land	Rajnagar Tex. Mill No.2	34,882	NA	Yes
7	Leasehold land	Petlad Tex. Mill	122,154	NA	Yes
8	Leasehold land	Viramgam Tex. Mill	56,857	NA	Yes

33.19 Advance against sale of Assets pending registration /possession

- (a) An advance of ₹121.00 lakh (Previous Year ₹121.00 lakh) was received from M/s Shukla Iron & Steel Co., Naini, Allahabad during the year 2002-03 against agreement to sell surplus land of Swadeshi Cotton Mills, Naini measuring 6.43 acres, for ₹ 320.00 lakh (Previous Year ₹ 320.00 lakh). Subsequently the Sub Divisional Magistrate, Karchana stayed the sale of land on the fact that the land was lease-hold and cannot be sold without the approval of State Government. The matter is still subjudice.
- (b) "An advance of ₹ 469.00 lakh (previous year ₹ 469.00 lakh) was received by Bijli Cotton Mills, Hathras from M/s. Anand Vrindavan in the years 2003 & 2012, against sale of Land & Building for ₹ 469.00 lakh (previous year ₹ 469.00 lakh). Land is in possession of the purchaser and buildings have been demolished and scrap value realized by the purchaser in terms of the agreement to sell. Value of land and building is pending adjustment in the books of accounts. As directed by Board, NTC obtained opinion from Ld. AG Shri K.K. Venugopal. Ld. AG opined that NTC would not be entitled to undertake sale of the property but would only transfer a leasehold right in the land in question subject to the stipulation for periodic payment of rent or half yearly premium to the original owner of the land in question.

The proposed transaction under the Tender Document pertains to absolute sale of ownership right of the land in question. Further, he opined that proposed transaction of sale pursuant to Tender Document in question would be void in light of the legal provisions discussed by him in his opinion.

The matter would be further placed in the Board."

- (c) Advance of ₹ 181.51 lakh (previous year ₹ 181.51 lakh) represents consideration received towards sale of land in respect of Ahmedabad Jupiter Textile Mill is included in other current liability as advance against the sale of assets.
- (d) The advance of ₹ 197.62 lakh received against sale of 0.78 acres of Land in respect of Netha Spg. Mills pending transfer of title deeds and ₹ 10.38 lakh received against sales of 10 acres land of MSK Mills, is shown as advance against sale of assets.
- (e) Advance of ₹ 225 Lakh (previous year ₹ 225 Lakh) represents consideration received towards relinquishment of the rights pertaining to assets of Worli Bungalow, in favour of New City of Bombay Mfg Co. Ltd. (which has also been approved by the BIFR) is considered as advance as certain conditions of the settlement are yet to be complied with by New City of Bombay Mfg. Co. Ltd.

Further, Gross Block of Building, Office Equipments & Furniture Fixtures includes ₹ 1.85 Lakh, ₹ 0.31 Lakh and ₹ 0.73 Lakh respectively (previous year ₹ 1.85 Lakh, ₹ 0.31 Lakh and ₹ 0.73 Lakh) being assets at Worli Bungalow (New City of Bombay Mfg. Mills) which is not in possession of NTC.

**Refer Note No.21*

33.20 Other Property Matters

- (a) In terms of the consent terms filed in the Hon'ble Supreme Court, during the year 2008-09 a settlement was entered into with M/s. Hall and Anderson Ltd. in respect of the land of Madhusudan Mills and accordingly land area of approx 27585 sq. mtrs. together with the building and structure standing thereon has been conveyed and transferred to M/s. Hall and Anderson Ltd. and land area of approx 52507 sq. mtrs has been retained by the NTC.

However, the total area of the Mills land defers from the area mentioned in the said Agreement. Correction of the same in the Agreement is under process. During the year, there is no further development in the matter.

- (b) Shree Sitaram Mills has surrendered approx. 1,11,115 sq. ft. of land alongwith structures thereon free of cost for 60 ft. D.P. Road network realignment through the Mills to MCGM as per the plan of MCGM dated 14.01.2009. NTC would be entitled for FSI for the said surrender as per norms of MCGM. Since the actual joint measurement of land is pending, effect in the financial statement shall be given on actual joint measurement of the land/receipt of FSI from MCGM.
- (c) In respect of area of 170.5 sq.ft in Survey No.211 of Coimbatore Murugan Mills, an eviction order has been passed by the Estate Officer. The occupant has gone on appeal before the Court and the matter is disposed by the Court in favour of Corporation.
- (d) In respect of the Textile Mills in Puducherry Viz. the Swadeshi Cotton Mills and Sri Bharathi Mills, NTC (TN&P) Ltd. had entered into an MOU with the Pondicherry Textile Corporation Ltd. (A Government of Pondicherry Undertaking) on 1st April, 2005 for the transfer of the Mills assets to them for a consideration of ₹ 39.43 Crores. Pursuant to the said MOU, possession and operation of the said two Mills were taken over by the Pondicherry Textile Corporation Ltd. on 1st April 2005. In the meantime, Government of Pondicherry formed another company by name Swadeshee Bharathee Textile Mills Ltd. as per GO (Ms) No.11/2005-IND-B dated 04.07.2005 and the management of the two mills vested with the said company. Execution of documents for transfer is pending as the consideration has not been received by the Corporation from Government of Pondicherry. But it has discharged certain liability of NTC like Gratuity of employee, EPF, ESI and Central Excise etc.. The net amount receivable ₹ 34.24 crores from Government of Pondicherry is shown as Other financial Assets (current).
- (e) Name Change formalities in respect of Land & Buildings valued at ₹ 0.89 lakh taken over from the erstwhile management of Sri Sarada Mills remains to be completed, as the original Title Deeds were deposited by the erstwhile owners with Banks and Financial institution.
- (f) Title deeds in respect of (14.88 acres) Land belonging to Azam Jahi Mills is not available.
- (g) Parvathi Mills-50 cents of landed property is in attachment by PF authorities for which the Company has obtained stay from High Court of Kerala towards disputed liability of ₹ 21.43 lakh.
- (h) In respect of Vijayamohini Mills, the original title deed of properties taken over from the previous owners in ancient language known as "Malayazhma" which is at present not an official language. Hence, the company requested the archeological department of the Government of Kerala for getting the Title Deed translated either in to the local laguage (Malayalam) or in to vernacular language, which has been pending.
- (i) In respect of Kaleswara 'B', the original title deed of properties taken over from the previous owners, though in the name of the company and property tax has been paid up-to-date, are not available.
- (j) Sub-lease rent to the tune of ₹ 84 lakh (previous year ₹ 84 lakh) and relating to the period from 2007-08 till 30.11.2011 is pending receipt from M/s Sheena Home Tex (P) Ltd. The principal amount together with interest @ 9% p.a. has been claimed in the suit filed by the Company on 31.01.2012 for a sum of ₹ 101.09 lakh (previous year ₹ 101.09 lakh). The matter is pending before Additional District and Session Judge for argument. The next date for hearing is 28.01.2021.

- (k) Title deeds of land of Muir Mills, Kanpur are in possession of State Bank of India since the pre nationalization period.
- (l) The land of Associated Industries (Assam) Spg. Unit is disputed. Before Nationalisation, the State Govt. of Assam did not allow the Pvt. owner to hold entire land (3858 Bighas approx.) as per prevailing Assam Fixation of ceiling on Land holding Act 1956 and the Pvt. Owner challenged the decision of the state Govt, before Hon'ble High Court Guwahati. In the meantime Nationalisation took place in 1974. Later on the State Govt. allowed NTC only 212 Bighas of land vide order dated 16.07.2004 which was challenged before Hon'ble High Court Guwahati by NTC. On 07.03.2013, the High Court quashed earlier order dt. 16.07.2004 issued by Dy. Commissioner in the case of De-novo and observed that the Assam Fixation of Ceiling on Land holding Act 1956 will not be applicable upon the land of the mill. The Hon'ble High Court remanded back the matter to the Collector and Dy. Commissioner Kamrup (M) for a fresh decision upon hearing all the parties. Now the matter is pending with Collector and Dy Commissioner, Kamrup(M). NTC requested Collector and Dy. Commissioner vide letter dtd. 16-12-2016 for early hearing in the matter.

On 17.10.2017 NTC has filed a fresh petition vide No. WP (C) 4958/2018 praying a time bound hearing before Hon'ble High Court, Guwahati.

After hearing both the parties, on 27.7.2018, the Hon'ble High Court directed NTC to submit a representation with copy of application along with annexure including copy of both the orders (07.03.13 & 27.07.18) to the said authority and also directed the Dy. Commissioner & Collector Kamroop to dispose of the hearing within 3 months from deposition of documents by NTC.

Accordingly as per the order dt. 27.7.18, NTC had submitted a representation dt. 10.8.2018 before the the Dy. Commissioner cum Collector, Kamroop (M) along with all documents requesting him to dispose of the issue. The matter still lying with The Dy. Commissioner cum Collector, Kamroop (M).

Due to Covid-19 as the High Court was not functioning that's why for this reason NTC is unable to proceed with any proceedings against the Dy. Commissioner cum collector, Kamrup (M). NTC had consulted Shri. G.N Sahiwal, Designated Sr. Counsel, and as per his suggestions NTC Assam is in process to file a petition before High Court, Guwahati for compliance of the said orders. Hence no change in status.

- (m) National Textile Corporation Limited, New Delhi (NTC) handed over 22 mills out of the various mills nationalised under Sick Textile Undertakings (Nationalisation) Act, 1974 and 13 mills out of the various mills nationalised under The Textile Undertakings (Nationalisation) Act, 1995 (totally 35 mills) to its erstwhile subsidiaries National Textile Corporation (South Maharashtra) Ltd. and National Textile Corporation (Maharashtra North) Ltd., now known as Western Region Office, Mumbai of the NTC. One of the mills, The Elphinstone Spinning and Weaving Co. Ltd. has filed a Writ Petition (WP) in the High Court of Bombay in the year 1996-97, challenging the nationalization of the said mill. The High Court in its Order dated 06.06.2011 has referred that a similar case has been referred for consideration by a larger bench of not less than seven judges in the Supreme Court. In view of this, the High Court has adjourned the case sine die with liberty to the parties to move the High Court in case the Supreme Court delivers the judgement. During the year, there is no further development in the matter.
- (n) In respect of land at BNC Mills, Rajnandgaon, Madhya Pradesh, an area of about 1,04,450 sq.ft. was taken over by P.W.D. as per direction of Collector, Rajnandgaon in respect of Plot No.22 which is in the name of Nazul in

land record since inception of the Mills and was given on lease to the Mills. However Collector, Rajnandgaon, had agreed vide letter No.Nazul/79/421 dated. 17-1-1979 to substitute the land, which is yet to be allotted.

During earlier years, Municipal Corporation Rajnandgaon had started to construct Community Halls for Muslim Samaj and Bodh Samaj on plot no. 22. Mill had filed Writ Petition before Hon'ble High Court of Chattisgarh against their act. During the hearing question of renewal of lease was came up, which was expired on 05-02-1996. Hon'ble High Court in Case No. WP 1893/2014 vide order dated 23-09-2014 has directed Distt. Collector to decide the matter of lease within a period of 6 months. After direction of Hon'ble High Court State Govt. had rejected for extending lease period of land vide its order dated 20/21.12.2016 issued by the Secretary, Govt of C.G.Deppt of Revenue , Raipur , even after submission of the Amended Law 2014. Mills had filled a Review application against the order of the State Govt. on dated 11.02.2017 to the Secretary, Revenue Deptt., but not replied by the Govt. so far.

In between the Municipal Corporation again started construction on the land for Boudh Samaj against both the unlawful acts the petition has been filed before Hon'ble High court of C.G. vide no WP(c)1097/2017. The case is under process however vide order dated 03.05.2018 Hon'ble court has stayed in any construction on the said land and ordered the opposite parties for not creating any third party interest.

33.21 Integrated Development Scheme

- (a) The Municipal Corporation of Greater Mumbai (MCGM) had approved an Integrated Development Scheme (IDS) of 7 mills. The Lay Out Plans of Mills land (for sale) namely Kohinoor Mill No.3, Jupiter Textile Mills, Mumbai Textile Mills (including land known as Kawali Compound, Marwari Chowka and New Jack Printing Press), Elphinstone Spinning and Weaving Mills (including Mills chawl), Apollo Textile Mills (part sale), Moraraka Bungalow (Apollo Textile Mills) and surrender of New Hind Textile Mills to MHADA & India United Mills No. 2 & 3 to MHADA & MCGM were approved on 27.10.2004 as per provisions of Regulation 58 of Development Control Regulations, 1991. Further same were amended on 17.02.2007, 13.12.2007, 13.05.2009, 27.05.2011 & latest on 14.02.2012.

- The status of the land sold and surrendered (with details of accounted and yet to be accounted) under this Scheme is as given below:

Area in sq. mtrs.				
S. No.	Particulars	For MHADA from New Hind Tex. Mills	For MHADA from India United Mills No.2&3	For MCGM from India United Mills No.2&3
a	Total land required to be surrendered as per letter dated 14.02.2012 and to be accounted in the Books.	31,501	7,275	34,584
b	Less:			
i)	Surrender required for Kawali Compound (yet to be sold hence shall be accounted on sale of the same)	552	57	543
ii)	Surrender required for retained area of Apollo Textile Mills as and when comes up for development, which is leased to the Joint Venture Company for Mills activity. (yet to be developed hence shall be accounted as and when developed)	NIL	2,989	2,666
	Total (b) (i + ii)	552	3,046	3,209

S. No.	Particulars	For MHADA from New Hind Tex. Mills	For MHADA from India United Mills No.2&3	For MCGM from India United Mills No.2&3
c	Balance required to be accounted in the Books as per letter dated 14.02.2012 (a-b)	30,949	4,229	31,375
d.	Less:			
	Total land accounted during earlier years as surrendered as per letter dated 13.12.2007 for Mills land already sold.	30,949	3,161	30,423
e.	Balance yet to be accounted in the books (same shall be accounted on identification of another Mill in place of India United Mill No. 2 & 3 towards the surrender of MHADA component. (c-d)	NIL	1,068	952
f.	Actual Land Surrendered (including 2226.45 sq. mt of setback area in case of New Hind Textile Mills).	33,727	NIL	61,057
g.	Excess/(short) surrendered (to be adjusted and accounted on approval of the subsequent IDS for remaining Mills land, on identification of the another Mill in place of India United Mill No. 2 & 3 towards the surrender of MHADA component and/or receipt of FSI/ TDR towards set back area in case of New Hind Textile Mills.) (f-a)	2,226	(7275)	26,473
h.	Entitlement of Transfer of Development Right (TDR) and Entitlement of Floor Space Index (FSI) in terms of letter dated 14.02.12(Refer "a" above x 1.33)	TDR	TDR	FSI
	Total	41,897	9,676	45,997
	Less entitlement of TDR/FSI:			
	For Kawali Compound (yet to be sold hence shall be accounted on sale of the same. Refer "b i" above x 1.33)	734	75	722
	For retained area of Apollo Textile Mills as and when comes up for development, which is leased to the Joint Venture Company for mills activity. (yet to be developed hence shall be accounted as and when developed Refer "b ii" above x 1.33)	-	3,976	3,546
i.	For differential balance accounting of land to be surrendered (same shall be accounted on identification of another mill in place of India United Mill No. 2 & 3 towards the surrender of MHADA component. Refer "e" above x 1.33)	NIL	1,420	1,267
	Less: land accounted as surrender but actually not surrendered for MHADA from India United Mills No. 2 & 3 (Column (d) – (f) x 1.33)	NIL (Nil since excess land surrendered)	4,205	"NIL (Nil since excess land surrendered)"
j.	Balance entitlement of FSI/TDR accounted in the books during earlier years as per letter dated 13.12.2007 and also physically surrendered	41,163	NIL (since land not surrendered)	40,462
	(Column (d) x 1.33)			
k.	Less: FSI sale accounted during the year 2011-12.	NIL	NIL	18,580
l.	Balance FSI included in the gross block of land	41,163	NIL	21,882
	₹ in Amount	92	-	21,882

- (b) Gross Block of Land and Building of India United Mills No. 2 & 3 and New Hind Textile Mills includes the cost of above referred additional surrender of land including set back area/the land to be surrendered for Kawali Compound (yet to be accounted) which are physically surrendered to MCGM/MHADA and not in a possession of the NTC are as under:

Description	Gross block (Deemed cost) ₹ in lakh	Accumulated depreciation ₹ in lakh	Net block ₹ in lakh	Area (sq.mtrs)
Land	147.98	-	147.98	30,251
Factory building	2.00	-	2.00	29,595 built-up
Non-Factory building	0.08	-	0.08	1,722 built-up
Total	150.06	-	150.06	-
Previous year	150.06	-	150.06	-

- (c) Further, in respect of surrender of land of India United Mills No. 2 & 3, the cost of demolition of existing structures, clearing of site and levelling of plot, demolition of existing compound wall, and cost of construction of road setback to land, construction of SWD, laying of sewage line/water line & construction of new compound wall are required to be reimbursed by NTC to MCGM. However, the amount is not ascertainable. Hence, necessary accounting entries shall be made as and when actual expenditure is incurred/ reimbursed to MCGM.
- (d) New Hind Textile Mill's land was surrendered to MHADA as per the revised IDS during the year 2007-08. The Collector of Mumbai has issued an order dated 03/07/2019 against NTC to Pay amounting ₹ 1,39,88,03,874 /- as a demand of unearned income payable to the Government of Maharashtra (GOM) under the Maharashtra Land Revenue Manual 1966, towards the lease rent and unearned income in terms of section 53 and 54 of the said Manual. Aggrieved to that NTC has filed an Appeal before Maharashtra Revenue Tribunal (MRT), Mumbai. Maharashtra Revenue Tribunal (MRT), Mumbai vide order dated 14/11/2019 has quashed and set aside the said order of District collector Mumbai and remanded back the matter to the District Collector Mumbai to decide the matter afresh in accordance with Law. Now the present Liability for the aforesaid issue under dispute is to the tune of ₹ 3,477.62 lakh (previous year ₹ 5,630.16 lakh) . The matter is pending before the District Collector Mumbai. NTC does not envisage any liability towards the said demand. However ₹ 3,477.62 lakh has been included in the Contingent Liability as claim of unearned income.

33.22 Heritage Structure

Pursuant to the Writ Petition filed by Indian National Trust for Art & Cultural Heritage (INTACH) for declaring certain structures of the various Textile Mills as heritage, the Hon'ble High Court at Bombay on 07.02.2006 granted stay on demolition of 77 structures on the Land of the NTC's Mills at Mumbai. Pending hearing in the matter, the NTC has proposed to the Government of Maharashtra (GOM)/MCGM to consider listing of heritage structures only on one mill instead of 19 mills proposed and considered constructing a textile-cum-heritage museum at that one mill. NTC also offered ₹ 20,00,00,000 towards setting up the textile museum in the premises of India United Mills No. 2 & 3 and also to retain six heritage structures existing thereon for which the liability has been recognised in the books during the year 2010-11. The GOM having followed due process has issued a notification dated 21.02.2008 declaring only 7 structures of India United Mills No. 2&3 as heritage. Accordingly 2 structures at India United Mills No. 2&3 and all other structures proposed at remaining 18 mills of NTC stands deleted. The Matter was on Final hearing and was lastly listed on 26/04/2019 but the matter has not been placed before the board of Court. No order for further listing given by the court. Since then it is pending before the said Court. During the year, there is no further development in the matter.

33.23 Commissioner of Payments

Other Current Assets include amount claimed from Commissioner of Payments in respect of nine erstwhile subsidiary companies as per details given below: (₹ in Lakh)

Description	As at March 31, 2020	As at March 31, 2019
Total amount claimed	3,601.58	3,601.58
Amount awarded & received	1,681.39	1,681.39
Rejected & taken-up again for reconsideration	1,804.53	1,804.53
Provision made	(1,804.53)	(1,804.53)
Balance claims pending	115.66	115.66

33.24 Receivables from Central Government:

In terms of Section 5(2) (c) of the Textile Undertakings (Nationalization) Act, 1995, the liabilities pertaining to the Wages, Salaries, Gratuity and Other Dues for the period from 18.10.83 to 31.03.94 of the employees of 13 Textile Undertakings transferred to NTC were of the Central Government and NTC would pay the liability on behalf of Central Government as and when it becomes due. NTC has as on 31.03.2020 paid ₹ 11,162.62 Lakh (Previous year ₹ 11,084.77 lakh)

In addition to above, the balance of un-discharged liability as on 31.03.2020 amounting to ₹ 864.86 lakh (Previous year ₹ 942.71 lakh) has also been recognized during the earlier years. Total amount of ₹ 12,027.48 Lakh has been disclosed under other non-current assets as Receivable from Central Government.

33.25 Bank Balance other than cash & cash equivalent

The Bank balances other than Cash & Cash Equivalents includes balance of ₹ 12.28 lakh with Central Bank of India at Rabindra Sarani branch, Kolkata and ₹ 4.14 lakh at Esplanade branch, Kolkata. These balances had been unilaterally adjusted by the Bank against Pre-Nationalisation dues of the then Ramporia Cotton Mills taken over by NTC in 1974.

The unilateral adjustment by the Bank has been taken-up with the Permanent Machinery of Arbitration (PMA), New Delhi. The PMA has completed the hearing on 20.12.2016 and the same is now pending for the award in the matter. PMA vide order dt.10.10.2018 held that since the dispute between the parties is already pending before DRT, Kolkata, therefore the claimant may pursue/defend its case before the DRT or approach any other competent judicial authority or court for redressal of its claims.

The company has made the provision against the above deposits during the previous year.

33.26 Hank Yarn Obligations

Company is required to meet Hank Yarn Obligation in packing of yarn as per Government of India Order. The balance unfulfilled obligation is 627.84 Lakh lakh Kgs (previous year 644.84 lakh Kgs). However, the Company has taken up the matter with the government through Ministry of Textiles for waiver to meet out the outstanding Hank Yarn Obligation.

33.27 Finance Charges

Government of India has given loan of ₹ 27,000.00 lakh in the earlier years @ 15.5% for ₹ 6,250.00 lakh & 14.5% for ₹ 20,750.00 lakh, in case of default, additional penal rate of 2.75% & 2.50% respectively. These loans were repayable in 4 equal installments after the moratorium period of repayment of one year and are overdue for repayment.

Although the Sanctioned Rehabilitation Modified Scheme (MS-08) requires waiver of loan and interest on the loan outstanding as on 31.03.2007, loans and interest outstanding as on 31.03.2006 has been waived off. Pending approval for waiver by Government of India, interest has been provided during the year for ₹1,140.62 lakh (Previous Year ₹ 1,140.62 lakh) on loan of ₹ 6,250.00 lakh given during the financial year 2006-07. The cumulative interest from 2006-07 to 31.03.2020 on the above loan outstanding is ₹ 15,139.08 Lakh (Previous Year ₹ 13,998.46 lakh).

Company has also received loan of ₹ 6,250 lakh and ₹ 14,500.00 lakh during the year 2007-08 & 2008-09 respectively. Company has requested the Government to convert the loan of ₹ 20,750.00 lakh into equity and waive off the accrued interest of ₹ 38,612.20 lakh (previous year – ₹ 35,069.07 lakh) on the above loan. Confirmation is awaited from the Government for the request made by Company and as such, the total interest accrued as on 31.03.2020 is ₹ 53,751.28 Lakh (previous year – ₹ 49,067.53 lakh) which is shown under other current financial liabilities.

33.28 Loss of property, plant & equipment and inventories due to fire and corresponding insurance claim

The company has recognised claim receivable of ₹ 4,781.74 Lakh on account of insurance claim receivable in respect of loss due to fire in its New Bhopal Textiles Mills during the year 2017-18. Insurance claim for the loss of property, plant and equipments were recognised at its carrying value (depreciable value). During the year 2018-19, the company was in receipt of an ad-hoc amount of ₹ 1,500 Lakh received from insurer towards the claim. During financial year 2019-20, the company further has received amount of INR 412.01 Lakh, however final claim settlement is under process.

33.29 Exceptional Items

(a) "Modified Voluntary Retirement Scheme

As per the sanctioned rehabilitation scheme, employees rendered surplus are offered Modified Voluntary Retirement (MVRS). The cost of the scheme provides for compensation to be met from the sale of surplus assets of the company and treated as Exceptional item. During the year, MVRS compensation (Ex-Gratia) of ₹ 8.34 Lakh (previous year ₹ 132.35 Lakh Lakh) was paid by company.

33.30 Standards issued but not yet effective

Companies (Indian Accounting Standards) Amendment Rules 2020 notified on 24 July 2020 has notified the changes to Ind AS that shall be effective from 1 April 2020 except in case of the amendment to Ind AS 116, Leases, which is applicable to the company in the current year also. Given below is given an explanation of significant amendments and their possible impact on the assets, liabilities and results:

- a) Ind AS 103, Business Combinations: The definition of business has been revised and further guidance has been provided in identifying whether the set of assets and liabilities acquired is a business. These changes are applicable for business combinations occurring on or after 1 April 2020. Therefore, on initial application of these amendments there shall be no impact on the financial statements of the company.
- b) Ind AS 107, Financial Instruments: Disclosures have been specified for an entity that applies the exceptions to hedge accounting requirements due to interest rate benchmark reform stated in Ind AS 109, Financial Instruments. As the company has not applied hedge accounting, the amendments notified do not have any impact on the entity's financial statements on initial application.
- c) Ind AS 109, Financial Instruments: The amendments to Ind AS 109 address the need to ensure that hedging relationships do not get discontinued because of interest rate benchmark reform. It provides that the hedge relationship shall not be discontinued simply because of the reform. As the company has not designated any

derivative as hedge instrument, the amendments do not have any impact on the financial statements of the company due to initial application.

- d) Ind AS 116, Leases: The amendments have provided practical expedient from accounting for modification of lease as a direct consequence of COVID-19 pandemic and only if all the following conditions are met:
- i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - ii) any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and
 - iii) there is no substantive change to other terms and conditions of the lease There has not been any material changes to the payments or receipts under leases as a direct consequence of COVID-19 for the company. Therefore, the said amendments though effective for the company from 1 April 2019 do no have any impact on the financial statements for the year ended on 31 March 2020.

- e) Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors: The notification has amended the definition of material as under:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

This amendment provides guidance on application of the revised definition and when can it be considered that a material information is being obscured as under:

- i) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- ii) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- iii) dissimilar items, transactions or other events are inappropriately aggregated;
- iv) similar items, transactions or other events are inappropriately disaggregated; and
- v) the understand ability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

The revised definition is applicable for transactions, events or conditions occurring on or after 1 April 2020. However, the company has always tested its disclosures from the perspective of making the financial statements understandable to users with proper cross-references such any note can be linked to the amount presented in Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows or Statement of Changes in Equity, as may be applicable. Therefore, the revision to the definition of material has no impact on the financial statements of the company due to its initial application.

- f) Ind AS 10, Events after the Reporting Period: The amendments clarify that the financial statements to which the non-adjusting events are material, provide financial information about a specific reporting entity. The reporting entity concept is defined in the Conceptual Framework for financial reporting issued by the International Accounting

Standards Board which is under formulation in India. This amendment has no impact on the financial statements for the year ended 31 March 2020 due to its initial application.

- g) Ind AS 34, Interim Financial Reporting: The amendments are consequential to the amendments in Ind AS 1 and Ind AS 8 revising the definition of material. Since the company is not liable to for Interim financial reportins, the amendment is not applicable.
- h) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets: The amendments are consequential to the amendments in Ind AS 10 stated above and thus have no impact on the financial statements for the financial year ended on 31 March 2020 due to their initial application.

33.30 Joint Ventures

- (a) Company signed an MOU on 14.11.2008 in respect of Joint Ventures arrangements with 3 strategic partners for 11 mills, namely: Chalisgaon Textile Mills, Dhule Textile Mills, Nanded Textile Mills, RBBA Spg. & Wvg. Mills, Savatram Ramprashad Mills, Orissa Cotton Mills, Laxminarain Cotton Mills, Sodepur Cotton Mills, Swadeshi Cotton Mills, Mau, Sri Sarada Mills & Parvathi Mills.
- (b) All the 3 MOUs were terminated vide letter dated 14.09.2010, since definitive agreements were not executed within 240 days from the date of execution of the MOU in the manner specified in the MOU.
- (c) "Claims of ₹ 51,362 Lakh from the parties in respect of 11 joint venture mills towards loss of profits and interest thereon, due to cancellation of JVs were pending against the company with Arbitration Tribunal. The cross-suits filed for loss of profit by the company in the matter were also pending before the tribunal. On April 10, 2019, the tribunal by its order, has rejected claims of all the parties for loss of profits and interest. Accordingly, liability in the matter has been removed from the contingent liabilities.

The upfront money of ₹ 840.00 lakh received from the three strategic partners towards surrender of rights of 11 JV mills by the Company refunded to the strategic partner but not accepted and hence, treated as current liabilities payable to them.

One of the Strategic Partners i.e., M/s KSL & Industries Ltd. filed a petition bearing O.M.P. (COMM) No. 409/2020 challenging the Arbitral award dated 10.04.2019 before the Hon'ble High Court of Delhi.. The matter is under Sub-judice."

33.31 Disclosure in respect of Indian Accounting Standard 115 "Revenue from Contract with Customers"

The company is engaged in textile industry, principally in the manufacturing and trading of yarn and cloth. Company considers that there is only one performance obligation in the contracts with customers i.e. transfer of control of goods or services, and revenue is recognized on satisfaction of the same.

In case of direct domestic sales, the control of the goods generally transfers on handing over of the goods to buyer or the transporter of buyer. In case of depot/consignment sales, transfer of control of goods is determined on the basis of accounts statement confirming sales received from depot/consignment agent, on case to case basis. Further in case of export sale, the control of the goods transfers on lading of goods on ship that is accounted for at FOB value basis.

Further, the Company do not adjust the promised amount of consideration for the effects of a significant financing component as it expects that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company reduce the promised amount of consideration for the effects of variable returns and consideration payable to customers. During the year, the Company has provided cash discount and commission on sale of goods to its customer as per its sale policy and revenue accordingly has been disclosed by netting off these items.

Further, the Company do not adjust the promised amount of consideration or provide provision/liability for the customer's right to return/refund or warranty or any similar obligation as company generally do not provide the same.

33.32 Impact of Covid -19 on Operations of the company

On 11 March 2020, the World Health Organization (WHO) declared the outbreak of new corona virus (COVID-19) as a global pandemic. Government of India had issued orders/ notifications for lockdown in the country from 23 March 2020 for 21 days, which was subsequently extended. Due to lockdown, the industries were closed which impacted the demand of goods and services as well as prices thereof. The Company is in the process of assessing the potential impact of COVID-19 in FY 2020-21 based on the current circumstances and expects significant impact on the revenue from operations of the company as Mills of the company were closed upto 3rd quarter of financial year 2020-21.

33.33 General

(a) Confirmations from trade receivables (current)(43.63%), Loans (Non Current)(87.31%), Loans (current)(99.19%), other non-current assets(97.78%), other current assets(88.66%), Cash & cash equivalents(99.22%), Bank balances other than cash & cash equivalents(100%), Borrowings (current)(99.98%), trade payables (current) (60.32%), other current liabilities(82.01%), other non-current liabilities(60.19%) etc. have been obtained.

(b) Loans (Current) –

i) Loan to BIC - Due from Others includes a bridge loan of ₹ 5,610.00 lakh given to British India Corporation Limited (BIC) for settlement of secured creditors as per directions of Ministry of Textiles with the concurrence of Ministry of Finance. The amount was to be repaid out of the amount sanctioned through budgetary allocation to BIC in 2011-12.

In compliance with the observation of CAG, company has considered the reversal of interest of ₹ 3,892.73 lakh (provided upto 31.03.2016) during the financial year 2016-17. However, in terms of various MoUs with BIC for release of various loans, interest of ₹ 8,857.58 lakh is receivable as on 31.03.2020 (₹ 7,409.82 lakh as on 31.03.2019). Out of this amount interest of ₹ 735.31 lakh (Previous Year:- ₹ 614.06 lakh) has not been acknowledged by BIC.

Apart from above, NTC has released an Inter Corporate Loan of ₹ 1000.00 Lakh to BIC on 23.10.2019 for payment of salary & wages. Interest of ₹ 46.48 Lakhs as on 31.03.2020 has been accounted in the books of accounts under the head Other Income.

ii) HHEC– As per directions received from MOT, NTC has released an Inter Corporate Loan of ₹ 700.00 Lakh to Handicraft & Handloom Export Corporation of India Ltd. (HHEC) on 23.10.2019 for payment of salary & wages. Interest of ₹ 32.54 Lakhs as on 31.03.2020 has been accounted in the books of accounts under the head Other Income."

(c) "Arbitration Award: The arbitration award dated 05.04.2015 was passed by the arbitrators in favour of "M/s. Vimal Construction" for its claim against the Unit amounting to ₹ 171.30 Lakh with simple interest @ 10.00% p.a. from 22/10/2012 till the date of payment.

However against the award of arbitrators, NTC had filed suit in the city Civil court vide CMA/379 dated 2.7.15 to set aside the award of arbitrators and also against the claim of ₹ 327.79 Lakh raised by Vimal

Construction vide CMA/376 dtd 2.7.15. Subsequently both the case No CMA/379 and CMA/376 dated 2.7.15 has been transferred to commercial court vide CMA 17/2016 and CMA 24/2016 respectively. The applications was filed by NTC before commercial court on 2.9.16 the next hearing of the case had been adjourned to 24.07.2018. The commercial court Ahmedabad passed order dated 14.08.2018 to pay ₹ 171.30 Lakh along with interest to M/S Vimal Construction however NTC challenged the said order before Hon'ble Gujarat High Court on 30.03.2019 along with appeal for condonation of delay with Case No. FA 895/2019 and also appeal filed for stay. Since the matter is pending before Hon'ble High Court of Gujarat, the same has been disclosed under Contingent liabilities.

- (d) Erstwhile N.T.C.(Gujarat) Ltd. has filed civil suit against M/s. Universal Dyestuff Industries Ltd. , New Bank of India and then Financial Adviser of the Corporation in respect of unauthorized and fraudulent transfer of ₹ 75.00 lacs in the year 1983-84 to M/s. Universal Dyestuff Industries Ltd., and for non-payment of matured fixed deposits issued by UDI Ltd. together with interest. The said amount is shown under the head "Other Non-current asset" in the Others (consider doubtful) and necessary full provision has been made for loss that may arise. In view of full provision, the Corporation has not calculated and provided for the interest accrued thereon.
- (e) The Company has defaulted in the payment of outstanding interest on Cash Credit Accounts to State Bank of Mysore in respect of Kaleeswar Mills and Somasundra Mills to the extent of ₹75.45 lakh. The Southern Regional Office has submitted application for waiver of entire interest of ₹ 75.45 lakh.
- (f) New Minerva Mills has made export of goods for ₹ 591.40 lakh to two parties in Pakistan during the financial year 2015-16 on the strength of letters of credit issued by a Banker from New Zealand. The Bankers refused to honor their commitment under L/C, recognizing the parties' claim for discounts on the goods exported, on quality related issues. Provision on the same has been provided by the company during the previous financial year. The company has filed legal case against the buyer party in the High Court of Sindh, Karachi.

33.34 Balance sheet total in the financial statements as at March 31, 2019 has been increased by INR 8.69 Lakh from last year audited Balance Sheet due to reclassification of items.

33.35 Previous period's figures have been regrouped and rearranged wherever considered necessary.

As per our separate report of even date attached
For **Bansal R. Kumar & Associates**
Chartered Accountants
Firm Registration Number: 008186N

For and on behalf of Board of Directors of
National Textile Corporation Limited
CIN: U74899DL1968GOI004866

Sd/-
(R.K. Gupta)
Partner
Membership No.: 086851

Sd/-
(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-
(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Place: New Delhi
Date: 11.02.2021

Sd/-
(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

**ANNUAL
ACCOUNTS
(CONSOLIDATED)**

कार्यालय प्रधान निदेशक लेखापरीक्षा
उद्योग एवं कारपोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी.एस्टेट,
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE
NEW DELHI- 110 002

संख्या: एएमजी-1/23(3)/एन.टी.सी./वार्षिक खाता(CFS)/2019-20/2020-21/102

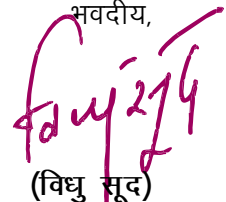
दिनांक / DATE :06 - 07 - 2021.....

सेवा में,
अध्यक्ष एवं प्रबंधक निदेशक,
नेशनल टेक्सटाइल कॉरपोरेशन लिमिटेड,
कोर - 4, स्कोप कॉम्प्लैक्स,
7-लोदी रोड,
नई दिल्ली - 110003

विषय:-कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2020 को समाप्त वर्ष के लिए नेशनल टेक्सटाइल कॉरपोरेशन लिमिटेड, के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत 31 मार्च 2020 को समाप्त वर्ष के लिए नेशनल टेक्सटाइल कॉरपोरेशन लिमिटेड, के समेकित विवरण (Consolidated Financial Statements) पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

भवदीय,

(विधु सूद)
प्रधान निदेशक लेखापरीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

संलग्नक : यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL TEXTILE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of National Textile Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 February 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of National Textile Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of National Textile Corporation Limited (the company), but did not conduct supplementary audit of the financial statements of the Joint Ventures mentioned in the Annexure-A for the year ended on that date. Further, Section 139(5) and 143(6) (a) of the Act are not applicable to Swadeshi Polytex Limited (the Associate) being private entity, for appointment of Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6) (b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Cash Flow Statement

Para 45 of Indian Accounting Standard (Ind AS) - 7 stipulates that "An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balance sheet". Presently, instead of showing the components of cash and cash equivalents and reconciliation of the amount in the statement of cash flow, only the note her of "Notes to Financial Statements has been linked, which is not in compliance with the above-mentioned stipulation.

B. Others

Company's consolidated financial statements (Note No. 10) includes claims receivable from Central Government (? 120.27 crore). This amount is shown as receivable from Government of India as per the provisions of section 5 (2) of the Textile Undertakings ("Nationalization) Act. 1995.

Government of India (GOI), vide Textile Undertakings (Taking Over of Management) Act, 1983, took over the management of 13 sick Textile Undertakings with effect from October 1983 and further transferred these undertakings to National Textile Corporation vide the Textile Undertakings (Nationalization) Act, 1995 with effect from April 1994. Section 5(2)(c) of the Textile Undertakings (Nationalization) Act, 1995 stipulates that, "any liability arising in respect of wages, salaries, and other dues of employees of the Textile Undertaking, in respect of any period after the management of such undertaking had been taken over by the Central Govt, shall on and from the appointed day, be the liability of Central Government and shall be discharged for or on behalf of that Government by the National Textile Corporation as and when such wages, salaries and other dues become due and payable".

In view of the above, the National Textile Corporation has booked an amount of ₹ 120.27 crore (till 31 March 2020) as claim receivables from Central Government relating to wages, salaries, gratuity and other dues of the employees of 13 Textile Undertakings pertaining to the period 18.10.1983 to 31.03.1994. The matter has been under correspondence between NTC and GOI for several years. In 2005, Ministry of Textiles stated that all working capital loans (wage shortfall) to NTC are actually funds released by Government of India from Budget provisions and therefore, the liabilities of Central Government, discharged by subsidiaries of NTC Ltd, on behalf of Central Government, may not be liable for reimbursement by the Central Government. This stand was further reiterated by Ministry of Textiles in 2006.

Accordingly, in FY 2010-11, the Company created provision towards above receivables. However, NTC took up the matter again with Ministry of Textiles in November 2011. Based on correspondence made by NTC with Ministry of Textiles and based on the opinion received from an independent Chartered Accountant firm, NTC reversed the provision so created in FY 2015-16.

In October 2016, Ministry of Textiles took up the matter again with Ministry of Finance endorsing NTC's claim and seeking reimbursement to the amounts paid/incurred and responded to (April 2017) clarifications sought (February 2017) by Ministry of Finance. NTC has followed up this correspondence in December 2018, June 2019, December 2020 and May 2021. A confirmation on the claims receivable is yet to be received from Ministry of Finance.

The matter was judged significant in Audit as the issue needs to be resolved expeditiously.

**For and on the behalf of the
Comptroller & Auditor General of India**



(Vidhu Sood)

**Principal Director of Audit
Industry & Corporate Affairs
New Delhi**

Place: New Delhi

Date: 06.07.2021

ANNEXURE – A

Name of the Joint Venture companies of which supplementary audit was not conducted

Sl.No	Name of Companies	Type of company
1	Apollo Design & Apparel Parks Limited	Joint Venture
2	Aurangabad Textile and Apparel Parks Limited	Joint Venture
3	Goldmohur Design & Apparel Parks Limited	Joint Venture
4	India United Textile Mills Limited	Joint Venture
5	New City of Bombay Manufacturing Mills Limited	Joint Venture

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF NATIONAL TEXTILE CORPORATION LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **NATIONAL TEXTILE CORPORATION LIMITED** (here in after referred to as “the Holding Company”) and its Joint venture (the Holding Company and its Joint venture together referred to as “the Group”) and its associate which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (here in after referred to as “Consolidated Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of auditors of the Joint venture on separate Financial Statements of the Joint venture and the financial statements / financial information provided to us of its associate, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020 and its consolidated loss (including consolidated other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

a) In respect of New City of Bombay Mfg. Mills Limited

The trade receivables of ₹ 90, 72, 87,692.25/= (Rupees Ninety Crores Seventy Two Lakhs Eighty Seven Thousand Six Hundred Ninety Two and Twenty Five Paise only) shown in Note No. 13 includes ₹88,48,08,297.25/= (Rupees Eighty Eight Crores Forty Eight Lakhs Eight Thousand Two Hundred Ninety Seven and Twenty Five Paise only) receivable from 3 parties introduced by Joint Venture Partner M/s Alok Industries Ltd. During the year there were no transactions with these parties and only ₹54, 10,359/= (Rupees Fifty Four Lakhs Ten Thousand Three hundred Fifty Nine only) were received from one of them. The management has not considered these outstanding as doubtful of recovery for there as on that the customers have not disputed the dues and have shown willingness to pay when they are able to realize dues from their customers and letter of M/s Alok Industries Ltd giving assurance for Arranging to make good any amount being classified as non-recoverable from any such trading party. In Our considered opinion, the facts and circumstances do indicate that, despite the fact that the parties have not disputed the dues and letter of assurance of M/s Alok Industries Ltd, the probability of ultimate Realization is not strong enough to continue to treat the dues ‘good for recovery’ particularly the fact That the customers have themselves stated the liquidity issues faced by them and the chances of Recovery being dependent on ability of customers’ to pay.

Moreover, M/s Alok Industries Ltd. has been Undergoing the corporate resolution process in terms the Insolvency and Bankruptcy Code 2016. Therefore, as has been pointed out by C & A G vide their letter dated 07-01-2019, the circumstance Indicate that the fulfilment of assurance given by Alok Industries Ltd seems doubtful. We are therefore Of the opinion that provision for doubtful debt should have made for ₹ 88, 48, 08,297.25/= (Rupees Eighty Eight Crores Forty Eight Lakhs Eight Thousand Two Hundred Ninety Seven and Twenty Five Paise Only). Had this provision been made, the current assets and reserves and surplus would have been Lower by ₹ 88, 48, 08,297.25/= (Rupees Eighty Eight Crores Forty Eight Lakhs Eight Thousand Two Hundred Ninety Seven and Twenty Five Paise only) and the losses for the year would have been higher to that extent.

(b) In respect of Goldmohur Design and Apparel Park Limited

The company has not disclosed in its financial statements the writ petition filed by the Rashtriya Mill Mazdoor Sangh before the Hon'ble High Court of Bombay against Holding Company M/S National Textile Corporation Limited (NTC) and Strategic Partners M/s Future Enterprises Limited and others where in Rashtriya Mill Mazdoor Sangh has prayed that (a) Since NTC and strategic partners , have failed in implementing the approved business plan the arrangement be terminated (b) in alternative, NTC should be directed to initiate modernisation / revival of the mill . In the matter, Hon'ble High Court. The implication of the same is not ascertainable at this point of time and therefore cannot commented upon by us.

(c) In respect of India United Textile Mill Limited

We draw attention to the Key Audit Matters and qualify our report as under:

The Company has long outstanding receivables for more than one year for which no provision is created in the books i.e. in the Ind AS financial statements. The Company has no security for these debts. On the basis that no security has been obtained and no payments have been received during the financial year, in our opinion the Company should make a full provision for receivables impairment of ₹50, 26,847/-(Fifty Lakhs Twenty six thousands Eight hundred forty Seven paisa only) reducing profit before taxation for the year and net assets at 31, March 2020 by that amount.

Materiality Uncertainty Related to Going concern

1. Indian National Trust for Art and cultural Heritage (INTACH) has filled a case against NTC Limited in High Court of Mumbai seeking to declare structures in the company premises as heritage structure. Implementation of business Plan can be undertaken only after settlement of the case.
2. The company has entered in to the lease agreement with its holding company National textile corporation Limited (NTC) to use latter Land for carrying out manufacturing activities and business activities but the registration of the lease deed is pending for the want of execution form the NCT LTD.
3. The company also does not have a proper permits / license to carry out manufacturing activity in its manufacturing unit. Accordingly, the company is in receipts of notices to shut down the plant.
4. The company has completely stopped al its manufacturing activities during the year.

Emphasis of Matter

We draw attention to the following:

1. In respect of **Apollo Design & Apparel Parks Limited** non-compliance with the provisions of Section 135 of the Act, regarding Corporate Social Responsibility Expenditure of the total amount of ₹ 128.49 lakhs till March 31, 2020, the company has incurred ₹ 21.17 lakhs on corporate social responsibility. – **Refer Note no.34.20**
2. (a) In respect of **Goldmohur Design & Apparel Park Limited** non-compliance of the provisions of Section 135 of the Act, as the company has not incurred expenditure of Corporate Social Responsibility Expenditure during the year as against the required spending of 22.81 lakhs for the year. -**Refer Note No.34.20**
 (b) In respect of **Goldmohur Design & Apparel Park Limited** relating to registration of lease deed for leasehold rights in term of the Lease Deed executed amongst the parties, which is pending as on the date of this report further pending disposal of Writ Petition before Mumbai High Court restraining to do any structural modifications on account of heritage issue in respect of buildings structures situated on leased land.
3. In respect of **New City of Bombay Mfg. Mills Limited** auditor of Joint ventures has highlighted certain indicators.
 - (a) AS mentioned in the Notes of standalone Ind AS financial statements for the year ended 31, March 2020, NTC and Strategic Partner had to formulate and implement the capital expenditure plan for the Company for the initial investment to undertake modernization of plant for the two years and for business plans for 3 years. INTAC filed a case against NTC Ltd in High Court, Mumbai seeking to declare structures in the Company premises as heritage structure.
 - (b) As mentioned in the Notes on standalone Ind AS financial statements for the Year ended 31, March 2020, a lease agreement has been entered into between NTC Ltd and the company to enable the latter to use the land, owned by NTC Ltd, for its business purposes. The Stamp duty for this Lease deed has already been paid by the strategic partner, but the lease deed has not yet been registered.
 - (c) As mentioned in the Notes on standalone Ind AS financial statements for the Year ended 31, March 2020, pending implementation of the IIP and BIP, the company had started Trading activities and manufacturing and selling of readymade garments and job work of Readymade garments
 - (d) As mentioned in the Notes on standalone Ind AS financial statements for the Year ended 31, March 2020, the company's manufacturing activity has been shut down in May-2015 Due to the labour problems and has not been restarted so far. The company's trading activity has been stopped in June-2017 and has not been restarted so far. Though all the business activities of the company have been discontinued, the Management is hopeful of restarting either or both the activities shortly. The management is of the view that this is a temporary shut down and the Assets in respect of this operation are intact and in complete useful condition and the company's Going Concern status is not affected. The Financial statements are accordingly prepared on the Going concern basis, since it is the intention of the company and the management to restart the Business at the earliest.
 - (e) With reference to the Notes on standalone Ind AS financial statements for the year Ended 31, March 2020, though the Board of Directors of the Company, vide its 49th Board Meeting Dated 08-September-2017, has directed the CEO / CFO to recover the dues of trade receivables along With interest, however, the complete recovery has not been done, nor interest charged / Provided for non-recovery.

- (f) With reference to the Notes on standalone Ind AS financial statements for the year Ended 31, March-2020, though the Board of Directors of the Company, vide its 49th Board Meeting Dated 08, Sep-2017, has directed the NTC, the holding company, to appoint a Concurrent Auditor, The company's management has informed that no such Concurrent Auditor has been so appointed.

4 Change in Method of consolidation (Refer Note -6)

As per the directions of Audit Committee of the Company, NTC has taken opinion of Expert Advisory Committee (EAC) of ICAI on the matter of method of Consolidation of the following 5 Companies ("here in after referred as Joint Venture Companies") in which NTC has more than 51% of share holding (as per Companies Act):

1. Apollo Design Apparel Parks Limited
2. Goldmohur Design Apparel Parks Limited
3. India United Textile Mills Limited
4. Aurangabad Textiles and Apparel Parks Limited
5. New City of Bombay Mfg. Mills Limited

Company up to the financial year 2018-19 has been consolidating above mentioned companies in its consolidated financial Statements by line by line method treating the same as Subsidiary Companies.

ICAI EAC after considering the Join-venture agreements and other relevant documents vide its email dated October 09, 2020 has opined that the above Joint Venture Companies in the extant case are not a subsidiary of the NTC. Arrangements for these Joint-Venture Companies need to be considered as a Joint Arrangement and accordingly should be accounted as Joint Venture and Consolidation shall be done as per equity Method of consolidation.

Company has adopted the above opinion and has prepared Consolidated financial statements for the Financial Year 2019-20 by consolidating the accounts of these Joint-venture as per equity method considering change in accounting policy. Accordingly, the same has been applied w.e.f April 01, 2018 and comparative consolidated financial statements has been restated. There is no impact of the same over Equity of the company as at April 01, 2018. Further, the company do not foresee any material effect on the information in the balance sheet at the beginning of the preceding period, accordingly only 2 Balance Sheet have been prepared. (Details are as per Note No.-6)

5. Impact of Covid-19 on Operations of the company

We draw attention to **Note No-34.21** in the accompanying financial statements, which describes the management's assessment of the impact of uncertainties related to outbreak of COVID-19 and its consequential effects on the business operations of the Company.

Our opinion is not modified in respect of these matters.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's

Report, and Corporate Governance Report, but does not include the Consolidated IndAS Financial Statements and our auditors' report there on.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group 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 of 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 Group 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, Management of the Holding Company is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the companies under the Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors of the Holding Company is also responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and the Joint Venture companies incorporated in India have 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 of the Holding Company.
- 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 Group'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 Consolidated Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

- a) We did not audit the financial statements/financial information of five Joint venture and one associate (detailed in Table below), whose financial statements/financial information reflect total assets of ₹61, 740.99 Lakhs as at 31st March, 2020, total revenues of ₹ 62,620.52 Lakhs and the net cash flows amounting to ₹ 1,749.86 Lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Joint venture/Associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Joint ventures and associate is based solely on the reports of the other auditors.

(₹ In Lakhs)

Name of Joint Venture /Associates	Total Assets	Total Revenues	Net Cash Flows
Joint Venture			
Apollo Design & Apparel Parks Limited	16,196.18	28,017.22	1,050.65
Aurangabad Textile & Apparel Parks Limited	1434.32	3.90	(5.14)
Goldmohur Design & Apparel Parks Limited	15,011.37	27,389.94	442.67
India United Textile Mills Limited	17,814.53	5,610.79	120.64
New City of Bombay Mfg. Mills Limited	9,577.77	-	(32.09)
Associate			
Swadeshi Polytex Limited	1,706.82	1,598.67	173.13

- b) We did not audit the financial statements/financial information of One Joint Venture, **Swadeshi Mining & Manufacturing Limited**, whose financial statements/financial information is not available. In the absence of their financial statements, the Joint Venture's assets, liabilities, incomes, expenditure and net profit/loss for the year ended 31st March, 2020 has not been considered in the Consolidated Ind AS Financial statements.
- c) On account of the COVID-19 related lockdown restrictions imposed by the government management was able to perform year end physical verification of inventories at its plant and with third parties subsequent to the year end. However, due to lockdown conditions we were unable to physically observe the inventory verification carried out by the management. Consequently, we have performed alternate audit procedures to obtain comfort over the existence and condition of inventory at year end, as per the guidance provided in SA-501 "Audit Evidence – Specific considerations for selected items" and have obtained sufficient appropriate audit evidence.
- d) National Textile Corporation Limited (the Holding Company) had appointed a firm of chartered accountants to carry out the Special Audit for the Financial Year 2014-15, 2015-16, 2016-17 & for the period April 2017 to December 2017 in respect of the following Joint Ventures companies in the month of March 2018:-
- India United Textile Mills Limited
 - Gold mohur Design and Apparel Park Limited
 - Apollo Design Apparel Parks Limited

Auditors appointed for carrying out special audit have pointed out various deficiencies in the working of this joint venture. In this regard, we confirm that the afore mentioned report has been provided to Statutory Auditors of afore mentioned joint venture and they have considered the said report in their statutory audit report for the financial year 2019-20.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- Companies (Auditors' Report) Order, 2016, issued by the Central Government of India in terms of Section 143(11)

of the Act is not applicable on Consolidated Financial Statements as referred in proviso to Para 2 of the order.

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of Joint venture and associates incorporated in India referred to in other matters above, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS Financial Statements;
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS Financial Statements have been kept so far as appears from our examination of those books and the report of the other auditors;
 - c) The reports on the accounts of the Holding Company, Joint Venture and Associate incorporated in India, audited under Section 143(8) of the Act by other auditors have been sent to us/ other auditors as applicable and have been properly dealt with in preparing this report;
 - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statements;
 - e) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under;
 - f) The matters described in the Basis for Qualified Opinion section above, in our opinion, may not have an adverse effect on the functioning of the Group;
 - g) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Group;
 - h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **Annexure - A**, which is based on the auditors' reports of the Holding Company and Joint Venture companies and associate, incorporated in India. Our report expresses a modified opinion on the adequacy and operating effectiveness of the Holding Company/ Joint Venture companies / associate company incorporated in India, internal financial controls over financial reporting and
 - i) 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:
 - The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. **(Refer Note No. 34.01);**

- The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - There were no amounts required to be transferred to the Investor Education and Protection Fund by the Group and its associate.
3. Based on the comments in the auditors' reports of the Holding company and the Joint venture companies, we report that a paragraph on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act has been included in respect of the auditors' report of Holding Company and its Joint ventures. Accordingly, we give a report on the directions issued by the Comptroller and Auditor General of India in terms of section 143 (5) of the Act in **Annexure - B**.
4. As per notification no GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies.

For Bansal R.Kumar & Associates

Chartered Accountants

FRN: 008186N

Sd/-

(R. K. Gupta)

Partner

M.No. 086851

UDIN No. : 21086851AAAACY8234

Place : New Delhi

Date : 11.02.2021

Annexure-A to the Independent Auditors' Report on Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NATIONAL TEXTILE CORPORATION LIMITED** (here in after referred to as "the Holding Company"), its joint venture (together referred to as "the Group"), and its associate as of 31 March, 2020 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company, its Joint venture, its associate and its jointly controlled entities are responsible for establishing and maintaining internal financial reporting 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 Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding Company, its Joint venture, its associate and its jointly controlled entities incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Group'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 Consolidated Ind AS 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 Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the group companies; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated Ind AS 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.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to five Joint ventures companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Opinion

According to the information and explanations given to us and based on the reports received from the auditors who audited the accounts of the concerned Units/Regional Offices/Companies under the group and based on our audit, the following material weakness have been identified in the operating effectiveness of the group's internal financial controls over financial reporting as at March 31, 2020 –

A. In respect of the Holding Company

a) In respect of Western Regional Office:-

- i. Certain Shares held by NTC WRO were not in the name of NTC [Share Certificates were in name of erstwhile owner] which were shown as Non-Current Investments in the books of the NTC's WRO Mumbai and as such Internal Financial Controls over investments appearing in the books not operating effectively which could potentially result in the loss of income and ownership of Investments.
- ii. Out of 23 properties where Title was not in dispute, 16 were in the name of erstwhile owners and 7 were in the name of other parties. In case of 2 properties details about whether these were Freehold or Leasehold were not available. Also, certain lands were encroached and were in the possession of unauthorised occupants. Considering these facts, we are of the opinion that IFC over assets appearing in the Books are not operating effectively which could potentially result in the loss of ownership of properties.

b) In respect of Unit – Kerala Lakshmi Mills

Internal Financial Control over protection and safeguarding the fixed assets of the company is not operating effectively in the light of fact that 4.8 acres of land belonging to the Company has been encroached and possessed by the outsiders. As per the information given to us, appeal suit is pending for removing all structures constructed in an area of 50 cents. No legal action has been initiated for recovering possession of other encroached land. The Company has not protected its land and property by erecting fencing or boundary wall.

B. In respect of the Joint ventures - India United Textile Mills Limited & New City of Bombay Mfg. Mills Limited

The auditors of the respective Joint ventures have expressed a **Disclaimer of Opinion**. They have stated in their report that, according to the information and explanation given to them, the Company has not established its internal financial control over financial reporting criteria based on or considering the essential components of internal control, in as much as there are no formally adopted and documented policies procedures and processes and controls for the purpose of internal financial controls for financial reporting, as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Because of this reason, they were unable to obtain sufficient appropriate audit evidence to provide basis of their opinion on whether the Company had adequate internal financial controls over financial reporting and whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2020.

Therefore, they have considered the disclaimer reported above in determining the nature, timing, extent of audit tests applied in their audit of Ind As financial statements of the Company, and the disclaimer does not affect their opinion on the Standalone Ind AS Financial Statements of the aforementioned Joint ventures.

A “material weakness” is a deficiency or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company, its Joint venture incorporated in India, wherever reported by the auditors of those entities have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Group Companies 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.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2020 Consolidated Ind AS Financial Statements of the Company and these material weaknesses do not affect our opinion on the Consolidated Ind AS Financial Statements of the Company.

For Bansal R.Kumar & Associates

Chartered Accountants

FRN: 008186N

Sd/-

(R. K. Gupta)

Partner

M.No. 086851

UDIN No. : 21086851AAAACY8234

Place : New Delhi

Date : 11.02.2021

Annexure- B to the Independent Auditors' Report on Consolidated Financial Statements

On the directions issued by the Comptroller and Auditor General of India under sub section 5 of section 143 of the Companies Act, 2013, based on the verification of records of the Company and information and explanations given to us and based on the corresponding reports of the auditors of Joint venture companies, we report that:

Directions under Section 143(5) of Companies Act, 2013:

S. No	Questions	NTCL	Apollo	India United Textile Mill Limited	Goldmohur	New City Bombay
1	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The company uses TALLY (ERP 9.0 Version) software for processing accounting transactions in respect of all 7 Regional Offices/Sub-Offices including Mills operating therein. However, in respect of few units/mills, transactions relating to inventory are recorded in separate software called Inventory Management System, details of Production, Sales, Payment and Allotment are recorded in separate software called Marketing Management System and payroll is maintained in an customized software. Excel Spreadsheet is widely used to prepare and disseminate MIS.</p> <p>Based on our audit, on test basis, and based on reports received from the branches, wherever the accounting transactions are based on workings outside IT system, no instances of lack of integrity of accounts and no financial implications has been noted/ reported.</p>	<p>All the financial accounting transactions are recorded and maintained in Tally software and quantitative stock records are maintained in Stage software. Both the software are not integrated and company manually reconciles the records. However, we observed that there are no material discrepancies having any financial implications.</p>	<p>Yes, the Company has a system in place to process all the accounting transactions through IT system. No accounting transactions are processed outside IT system</p>	<p>All the financial accounting transactions are recorded and maintained in Tally-9 software and quantitative stock records are maintained in Stage-9 software. Both the software are not integrated, however the company reconciles these records manually</p>	<p>The company maintains accounts in Tally Accounting Software. All accounting transactions are processed through the Tally Accounting Software. In view of the nature ad level of software operations, in our opinion, no adverse impact on integrity of accounts or financial implications is expected.</p>

S. No	Questions	NTCL	Apollo	India United Textile Mill Limited	Goldmohur	New City Bombay
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc., made by a lender to the company due to the company's inability to repay the loan? if yes, the financial impact may be stated.	<p>As per information and explanations obtained there was no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan except in case of SRO where it has defaulted in the repayment of Outstanding Interest on Cash Credit Accounts to State Bank of Mysore in respect of Kaleeswara Mills A Unit and Somasundara Mills to the extent of ₹ 75.45 Lakhs.</p> <p>The SRO has submitted an application for waiver of entire interest of ₹ 75.45 lakhs.</p> <p>If bank were to accept the proposal of waiver, profit of the unit would increase by ₹ 75.45 lakhs and Current Liability would decrease by ₹ 75.45 lakhs.</p>	No, there are no such cases.	There are no instances of any cases of loan restructuring/ waiver/write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan.	We have not come across any such instances during the course of our audit.	There are no instances of any cases of waiver/ write off of debts/loans/ interest etc.
3	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	To the best of our information, checks applied by us during the course of our audit and based on reports received from the branches/ units, we are of the opinion that no funds were received/ receivable for specific schemes from Central/ State agencies.	No, there are no such cases.	The Company has not received any funds for specified schemes from central/state agencies.	As per the information and explanation given to us, the Company has not received/ receivable any funds for any specific schemes from central/state government agencies, hence not applicable.	The Company has not received any funds for specific schemes from central / state agencies.

For Bansal R.Kumar & Associates
Chartered Accountants
FRN: 008186N

Sd/-
(R. K. Gupta)
Partner

M.No. 086851

UDIN No. : 21086851AAAACY8234

Place : New Delhi

Date : 11.02.2021

M/s Bansal R. Kumar & Associates
Chartered Accountants

G-7 & 8, Namdhari Chambers
9/54, D.B. Gupta Road, Karol
Bagh New delhi-110005, India
Ph. no 23678326, 23516788
Email : rkbansal01@yahoo.com

Compliance Certificate

We We have conducted the audit of accounts of **National Textile Corporation Limited – Consolidated**, New Delhi for year ended on 31st March, 2020 in accordance with the directions/sub – directions issued by the C&AG of India under section 143 (5) of the companies Act, 2013 and certify that we have complied with all the directions/sub directions issued to us.

**For M/s Bansal R. Kumar &
Associates, Chartered Accountants
Firm Registration Number: 008186N**

**Sd/-
(R. K. Gupta)
Partner
Membership Number 086851**

**Place: New Delhi
Date: 11.02.2021**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lakh)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	71,559.88	75,020.75
Capital work-in-progress	3	394.35	1,075.43
Investment property	4	2,974.62	2,993.91
Intangible assets	5	16.86	18.40
Investment accounted using Equity Method	6	24,746.97	24,173.62
Financial assets			
- Investments	7	44.82	68.18
- Loans	8	2,739.50	2,875.81
- Other financial assets	9	164.08	1,159.53
Other non-current assets	10	13,963.69	14,355.12
Current Assets			
Inventories	11	24,253.20	31,277.45
Financial assets			
- Trade receivables	12	1,292.36	2,276.03
- Cash & cash equivalents	13	6,377.07	2,889.66
- Bank Balances other than cash & cash equivalents	14	19,032.08	37,188.25
- Loans	8	7,894.49	6,198.73
- Other financial assets	9	7,104.56	7,957.02
Current tax assets (net)	15	826.86	799.27
Other current assets	10	2,274.02	1,997.13
Assets classified as held for sale	16	141,699.05	141,699.05
Total Assets		327,358.46	354,023.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	306,216.01	306,216.01
Other equity	18	(128,623.87)	(94,186.15)
Liabilities			
Non-Current Liabilities			
Financial liabilities			

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
- Other financial liabilities	19	39.59	33.13
Provisions	20	9,846.07	9,647.62
Deferred tax liabilities (Net)	21	-	-
Other non-current liabilities	22	4,944.89	5,212.41
Current Liabilities			
Financial liabilities			
- Borrowings	23	27,073.59	27,066.70
- Trade payables			
- total outstanding dues of MSME	24	855.18	502.86
- total outstanding dues of creditors other than MSME	24	19,865.38	16,659.66
- Other financial liabilities	19	75,097.38	69,954.38
Other current liabilities	22	8,739.79	9,062.29
Provisions	20	3,304.45	3,854.43
Total Equity and Liabilities		327,358.46	354,023.34

Significant Accounting Policies &
Notes to the Financial Statements

1
34

As per our separate report of even date attached
For **Bansal R. Kumar & Associates**
Chartered Accountants
Firm Registration Number: 008186N

For and on behalf of Board of Directors of
National Textile Corporation Limited
CIN: U74899DL1968GOI004866

Sd/-
(R.K. Gupta)
Partner
Membership No.: 086851

Sd/-
(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-
(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Place: New Delhi
Date: 11.02.2021

Sd/-
(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	25	85,041.62	108,184.72
Other income	26	4,968.57	5,363.33
Total Income		90,010.19	113,548.05
Expenses			
Cost of material consumed	27	52,244.61	69,679.88
Purchase of stock in trade		532.01	784.26
Changes in inventories of finished goods, stock in trade and work in progress	28	4,730.98	(682.43)
Employees' benefit expenses	29	29,887.65	30,996.61
Finance costs	30	5,951.29	5,778.68
Depreciation and amortization expenses	31	4,950.47	5,322.06
Other expenses	32	26,993.34	33,646.54
Total expenses		125,290.35	145,525.60
Profit/(loss) before Share in profit/(loss) of entities accounted using Equity Method		(35,280.16)	(31,977.55)
Share in profit/(loss) of entities accounted using Equity Method	6	1,240.63	1,004.32
Profit/(loss) before exceptional item and tax		(34,039.53)	(30,973.23)
Exceptional Items	33	(38.22)	(133.80)
Profit/(loss) before tax		(34,077.75)	(31,107.03)
Tax expense			
(i) Current tax		-	-
(ii) Deferred tax	20	-	-
Profit/(loss) for the period from continuing operations		(34,077.75)	(31,107.03)
Profit/(loss) for the period (I)		(34,077.75)	(31,107.03)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Re-measurement gain/(loss) on defined benefit plans		(332.23)	449.42
- Net gain/ (loss) on FVTOCI equity instruments		(23.37)	(6.43)
Share in Other Comprehensive Income of entities accounted using Equity Method		(4.37)	1.94
Other Comprehensive Income (II)		(359.97)	444.93
Total Comprehensive Income for the year (I+II)		(34,437.72)	(30,662.10)
"Earnings per equity share(from continuing operations) : (Par value ₹ 1000/- per share)"	34.09		
(1) Basic		(111.29)	(101.59)
(2) Diluted		(111.29)	(101.59)

Significant Accounting Policies
Notes to the Financial Statements

1
34

As per our separate report of even date attached
For **Bansal R. Kumar & Associates**
Chartered Accountants
Firm Registration Number: 008186N

For and on behalf of Board of Directors of
National Textile Corporation Limited
CIN: U74899DL1968GOI004866

Sd/-
(R.K. Gupta)
Partner
Membership No.: 086851

Sd/-
(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-
(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Place: New Delhi
Date: 11.02.2021

Sd/-
(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax and exceptional items	(34,039.53)	(30,973.23)
Adjustment for:-		
Depreciation and amortization	4,950.47	5,322.06
Unrealised foreign exchange loss/(gain)	-	-
Finance cost	5,951.29	5,778.68
Provision for doubtful assets	23.49	50.25
Interest income	(2,746.15)	(3,909.79)
Loss due to fire	27.14	35.69
Dividend received	(1.19)	(0.29)
Movement in Investments accounted using Equity Method	(577.72)	(357.54)
Remeasurement of net defined benefit plans	(332.23)	449.42
Operating profit before working capital changes	(26,744.43)	(23,604.75)
Cash flow from working capital changes		
Adjustment for:-		
(Increase)/Decrease in Inventories	7,023.98	1,089.77
(Increase)/Decrease in Trade receivables	963.98	3,883.38
(Increase)/Decrease in Other financial asset, other asset and loans	(1,127.85)	262.29
(Increase)/Decrease in Other bank balances	344.07	(752.12)
Increase/(Decrease) in Trade payables, other financial liabilities, other liabilities and provisions	3,106.99	1,326.84
Cash flow after working capital changes	(16,433.26)	(17,794.59)
Income Tax Paid	(27.59)	(26.10)
Cash flow before exceptional items	(16,460.85)	(17,820.69)
Adjustment for exceptional items	(18.53)	(132.35)
Net Cash flow from operating activities (i)	(16,479.38)	(17,953.04)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment/intangible assets	(827.63)	(1,650.34)
Proceeds from property, plant & equipment	3.78	1,512.64
Sundry creditors for machinery	(29.76)	64.27
Sale/ (Purchase) of investments	-	3.20
(Increase)/Decrease in Bank Deposits	18,812.85	6,734.90

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest received	3,262.06	3,320.14
Dividend received	1.19	0.29
Net Cash from investing activities (ii)	21,222.49	9,985.10
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Borrowings	6.89	(288.24)
Finance cost	(1,267.54)	(1,094.93)
Payment of Lease liabilities	4.95	-
Net Cash from financing activities (iii)	(1,255.70)	(1,383.17)
D. Net changes in cash & cash equivalents (i+ii+iii)	3,487.41	(9,351.11)
E. Opening cash & cash equivalents (Note No 13)	2,889.66	12,240.77
Impact of change in foreign exchange rate on Cash and Cash Equivalents	-	-
F. Closing cash & cash equivalents (Note No 13)	6,377.07	2,889.66

The accompanying notes are an integral part of these Consolidated financial statements.

Notes:

- The cash flow statement has been prepared under the indirect method as set out under Indian Accounting Standard (Ind AS-7 - Cash flow statement) statement of cash flows.
- Previous year figures have been restated, regrouped and rearranged wherever considered necessary.

As per our separate report of even date attached

For **Bansal R. Kumar & Associates**

Chartered Accountants

Firm Registration Number: 008186N

For and on behalf of Board of Directors of

National Textile Corporation Limited

CIN: U74899DL1968GOI004866

Sd/-

(R.K. Gupta)

Partner

Membership No.: 086851

Sd/-

(Pankaj Agarwal)

Company Secretary

PAN: ACZPA4484D

Sd/-

(Inderpal Singh Sandhu)

Director (Finance)

DIN: 08660759

Sd/-

(Nihar Ranjan Dash)

Chairman & Managing Director

DIN: 01177349

Place: New Delhi

Date: 11.02.2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

(₹ in Lakh)

Particulars	Amount
As at April 01, 2018	306,216.01
Changes in equity share capital	-
As at March 31, 2019	306,216.01
Changes in equity share capital	-
As at March 31, 2020	306,216.01

B. Other Equity

(₹ in Lakh)

Particulars	Reserve and Surplus			Equity instruments through OCI	Share in Other Comprehensive Income of entities accounted using Equity Method	Revaluation Surplus	Remeasurement gain/(loss) on defined benefit plans	Total
	Capital Reserve	Special Reserve u/s 36 (i) of the Income Tax Act	Retained Earnings					
Balance as at April 1, 2018	345,584.78	242.48	(426,653.69)	45.95	3.48	16,722.89	530.06	(63,524.05)
Profit/(loss) for the period	-	-	(31,107.03)	-	-	-	-	(31,107.03)
Other comprehensive income for the year	-	-	-	(6.43)	1.94	-	449.42	444.93
Total comprehensive income for the year	-	-	(31,107.03)	(6.43)	1.94	-	449.42	(30,662.10)
Balance as at March 31, 2019	345,584.78	242.48	(457,760.72)	39.52	5.42	16,722.89	979.48	(94,186.15)
Balance as at April 1, 2019	345,584.78	242.48	(457,760.72)	39.52	5.42	16,722.89	979.48	(94,186.15)
Profit/(loss) for the period	-	-	(34,077.75)	-	-	-	-	(34,077.75)
Other comprehensive income for the year	-	-	-	(23.37)	(4.37)	-	(332.23)	(359.97)
Total comprehensive income for the year	-	-	(34,077.75)	(23.37)	(4.37)	-	(332.23)	(34,437.72)
Balance as at March 31, 2020	345,584.78	242.48	(491,838.47)	16.15	1.05	16,722.89	647.25	(128,623.87)

As per our separate report of even date attached

For Bansal R. Kumar & Associates

Chartered Accountants

Firm Registration Number: 008186N

For and on behalf of Board of Directors of

National Textile Corporation Limited

CIN: U74899DL1968GO1004866

Sd/-

(R.K. Gupta)

Partner

Membership No.: 086851

Place: New Delhi

Date: 11.02.2021

Sd/-

(Pankaj Agarwal)

Company Secretary

PAN: ACZPA4484D

Sd/-

(Inderpal Singh Sandhu)

Director (Finance)

DIN: 08660759

Sd/-

(Nihar Ranjan Dash)

Chairman & Managing Director

DIN: 01177349

Note No 1 - Significant Accounting Policies

General Information

National Textile Corporation Limited, (NTC) “the company” is a Schedule ‘A’ public sector company under the ambit of Ministry of Textile, Government of India, engaged in production of yarn and fabric through its mills in operation, located all over India producing yarn and fabric. NTC also manufactures garments through its JV Companies.

In addition, National Textile Corporation has well established retail network throughout the country with its retail stores.

National Textile Corporation was established in 1968 to look after the functioning of sick textile mills acquired through three Nationalisation Acts. The mills which were not in a position to revive have been closed subsequently.

1. Significant Accounting Policies

1.1. Statement of Compliance and basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements (CFS) of National Textile Corporation Limited and its 5 joint-ventures and 1 Associate Company have been prepared Indian Accounting Standard (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules thereafter. Accounting policies have been applied consistently to all periods presented in these financial statements except as otherwise disclosed in financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013, except otherwise stated.

i. Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements represent consolidation of accounts of National Textile Corporation Limited, its subsidiaries, and associate as detailed below:

S. No.	Name of Company	Country	No. of Shares	% of Shareholding	Relation
1.	Aurangabad Textiles & Apparel Parks Ltd	India	1060800	51	Joint Venture*
2.	New City of Bombay Mfg. Mills Ltd	India	4676700	51	Joint Venture
3.	Apollo Design Apparel Parks Ltd.	India	2881500	51	Joint Venture
4.	Goldmohur Design & Apparel Parks Ltd.	India	2983500	51	Joint Venture
5.	India United Textiles Mills Ltd.	India	6482610	51	Joint Venture
6.	Swadeshi Polytex Limited	India	1311750	33.63	Associate

*Refer Note No. 6

Note : NTC is having 17,18,344 shares (97.91%) in Swadeshi Mining & Manufacturing Limited but the accounts of this subsidiary company could not be consolidated due to non-finalization of accounts since 1999-2000. The company was under liquidation and the matter is still sub-judice.

ii. Principles of Consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

b) Associates and Joint - ventures

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint-ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.19 below.

1.2. Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and

the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.3. Current versus non-current classification.

The Group 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 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 Group 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 realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

1.4. Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Group.

1.5. Purchase of Raw Materials

Purchase of Raw Materials is accounted for on invoice value except in the case of supplies from Government agencies where it is accounted on the basis of Pro-forma invoice in the absence of invoice.

1.6. Revenue Recognition

Sale of Goods/Services:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points) and revenue in relation to the performance obligation is recognized on satisfaction of that respective performance obligation over time or at a point of time as case may be.

In determining the transaction price for the sale of goods or services, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend Income is recognized when the Group's right to receive the payment is established which is generally when shareholders approve the dividend.

Rent Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

1.7. Property, Plant and Equipment

All Property, Plant and Equipment (PPE) are stated at carrying value i.e. original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, GST, Excise and Custom duty where input credit/CENVAT credit on capital goods is availed, except taken over as a result of nationalisation, which are stated at values then approved by board and re-valued asset at revalue price less accumulated depreciation and impairment (if any).
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Capital work in progress is stated at cost and such cost includes the cost of property, plant and equipment under installation/ under development as at the balance sheet date.

Stores and Spares

Significant spare parts qualify as property, plant and equipment when an entity expects to use them during more than one period and when they can be used only in connection with an item of property, plant and equipment.

Major repairs and overhauling cost

Cost of major repairs/overhauling is capitalised with consequent de-recognition of any remaining carrying amount of the cost of the previous inspection/repairs. The total cost of inspection/repairs is considered as a separate component.

1.8. Intangible Assets

All Intangible assets are stated at carrying value i.e. original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses.

Identifiable intangible assets are recognized when the Group controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the Group for more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful life of 5 years and for the assets which are having more life, the periodicity may be decided after seeking approval from the Board.

1.9. Depreciation and Amortization

The depreciable amount of an item of Property, Plant and Equipment (PPE) is allocated on a straight line basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Companies Act, 2013 and management believes that useful life of the assets are same as those prescribed in Schedule II to the Act except plant and machinery of spinning and weaving business which based on technical evaluation, life has been estimated between the range of 20 to 30 years (on single shift basis), which is different from that prescribed in the Schedule II to the Act. The useful life of plant and machinery of garmenting business is estimated same as prescribed in Schedule II of the Act. The residual value of all the assets is taken 5% of the cost of assets.

Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Building - Factory	30 Years
Building - Non Factory (other than RCC Frame Structure)	30 Years
Building - Non Factory (RCC Frame Structure)	60 Years
Tube Well	5 Years
Plant & Machinery (Spinning and Weaving business)	20-30 Years

Asset Class	Useful Life
Plant & Machinery (Garmenting) Including Bio Gas Plant	15 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years
Electrical Fittings	10 Years
Office & Factory Equipment	5 Years
Computer	3 Years
Railway	15 Years
Lab Equipment	10 Years

1.10. Borrowing Costs

The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset. The Group recognises other borrowing costs as an expense in the period in which it incurs. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.11. Foreign Currency Transactions:

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

1.12. Inventories

Inventories are valued as follows:

- Raw Material in Stock: At variety-wise monthly weighted average cost or net realizable value whichever is lower.
- Raw material in Transit and finished goods (packed yarn and cloth): At cost or net realizable value whichever is lower.
- Finished Goods at depot (Yarn / Cloth): At lower of cost or net realizable value.
- Finished Goods at retail Marketing Depots / Divisions, and Retail Showrooms: Cost or net realizable value whichever is lower. The cost is determined by reducing from the sale value appropriate percentage of gross margin. Net realizable value is determined after appropriate discounts for damages, cut pieces, age of stock, market forces, if any.
- Stores and Spares: At weighted average cost or net realizable value whichever is lower other than the stores and spares that are to be componentized.
- Materials in Process: At cost or net realizable value whichever is lower.
- Loose yarn & Cloth under process, and with processors etc: At lower of cost or net realizable value less expenses to be incurred to make them ready for sale.
- Scrap and saleable waste: At net realizable price.
- Useable wastes: At weighted average cost or net realizable value whichever is lower

Note: Wherever net realisable value is not available, cost is used.

1.13 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. These grants are classified as grants relating to assets and revenue based on the nature of the grants.

Grants relating to depreciable assets are initially recognised as deferred revenue and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset generally in the same proportion in which depreciation is charged on the depreciable assets acquired out of such contribution. Changes in estimates are recognised prospectively over the remaining life of the assets.

Grants in the form of revenue grant are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Grants in the form of non-monetary assets such as land and other resources are recognised at fair value and presented as deferred income which is recognized in the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

1.14. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.15. Contingent Liabilities / Assets

Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the Group has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the Group.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Liabilities are disclosed in the General Notes forming part of the accounts.

Contingent Assets

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it is certain that inflow of economic benefit will arise then such asset and the relative income shall be recognised in financial statements.

1.16. Employee benefits

- i) Provision for gratuity, leave encashment/availment and other terminal benefits is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets excluding interest (if applicable), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.
- ii) Contribution to Provident Fund is recorded as expenses on accrual basis.

1.17. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 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.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.18. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

After initial recognition, the Group measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset at the Group.

1.19. Financial instruments

i) Non-derivative financial instruments

Non-derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non-derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Group's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

b) Investments in Equity Securities

Investments in equity securities (other than those in Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in Other Comprehensive Income. The impairment losses, if any, are reclassified from equity into

statement of profit and loss. On de-recognition of such assets, the related cumulative gain or losses recognised in other comprehensive income are transferred within equity.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The Group estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

ii) Derivative financial instruments/Forward Contract

The Group is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Group limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

1.20. Impairment

If the recoverable amount of an asset (or cash-generating unit/property, plant and equipment) 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. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal 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.

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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include companies past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Group de-recognises 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety except 1.20(i)(b), the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

1.21. Earnings per share

A basic earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.22. Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.23. Segment Information

The Chief Operating Decision Maker (CODM) as defined by Ind AS-108, “Operating Segments” monitors the operating results of its operating segments based on their revenue growth and operating income. The Group has identified two primary business segments i.e. Yarn & Cloth. The assets and liabilities used in the Group’s business that are not identified to any of the operating segments are shown as un-allocable assets/liabilities.

1.24. Prior Period

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes on Accounts.

1.25. Non-current Assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets and disposal groups are measured at the lower of their carrying amount and fair value less cost to be incurred towards sale. This condition is regarded as met only when the sale is highly probable and the assets or disposal group is available for immediate sale in its present condition.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The Group treats sale/ distribution of the asset or disposal group to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset (or disposal group), ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable), iii) The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value, iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Group shall not depreciate (or amortised) a non-current asset while it is classified as held for sale or while it is a part of a disposal group classified as held for sale.

1.26. Leases

Leases of Property, Plant and Equipment in which a significant portion of risks and rewards of ownership is transferred to the Group as lessee are classified as finance lease. Such finance leases are generally capitalised at the inception of lease at the fair value of the leased property which equals the transaction price i.e. lump sum upfront payments. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases.

Note No. 2

(a) Property, Plant and Equipment

(₹ in Lakh)

Particulars	Gross block as at April 1, 2019	Additions	Adjustments/sales during the year	Gross block as at March 31, 2020	Accumulated depreciation as at April 1, 2019	Depreciation during the year	Adjustments/sales during the year	Accumulated depreciation as at March 31, 2020
Land - Free Hold	17,978.99	-	-	17,978.99	-	-	-	-
Building - Factory	22,998.15	10.19	(18.10)	22,990.24	3,369.80	773.35	(12.50)	4,130.65
Building - Non Factory	2,119.73	7.66	-	2,127.39	396.50	51.02	-	447.52
Tube Well	52.91	0.78	-	53.69	41.96	1.78	-	43.74
Plant & Machinery	62,523.13	1,256.37	72.47	63,851.97	31,744.59	3,383.52	(29.26)	35,098.85
Furniture & Fixtures	896.10	0.72	(42.09)	854.73	332.47	88.18	-	420.65
Vehicles	140.04	-	-	140.04	86.96	12.36	-	99.32
Electrical Fittings	3,620.52	170.04	(87.18)	3,703.38	1,765.65	361.42	-	2,127.07
Office & Factory Equipments	433.24	12.31	(1.83)	443.72	208.28	58.80	(0.84)	266.24
Computer	219.78	23.30	(13.24)	229.84	116.04	42.14	(7.42)	150.76
Railway	0.04	-	-	0.04	-	-	-	-
Lab Equipment	970.52	10.48	-	981.00	338.94	98.08	-	437.02
Sub-Total(a)	111,953.15	1,491.85	(89.97)	113,355.03	38,401.19	4,870.65	(50.02)	43,221.82

(b) Right of Use Assets

(₹ in Lakh)

Particulars	Gross block as at April 1, 2019	Additions	Adjustments/sales during the year	Gross block as at March 31, 2020	Accumulated depreciation as at April 1, 2019	Depreciation during the year	Adjustments/sales during the year	Accumulated depreciation as at March 31, 2020	Carrying value as at March 31, 2020
Land- Lease Hold	1,659.26	9.86	-	1,669.12	190.47	54.75	-	245.22	1,423.90
Building- Non Factory	-	7.00	-	7.00	-	4.23	-	4.23	2.77
Sub-Total(b)	1,659.26	16.86	-	1,676.12	190.47	58.98	-	249.45	1,426.67
Grand Total(a+b)	113,612.41	1,508.71	(89.97)	115,031.15	38,591.66	4,929.63	(50.02)	43,471.27	71,559.88

(₹ in Lakh)

Particulars	Gross Block as at April 01, 2018	Additions	Adjustments/sales during the year	Gross block as at March 31, 2019	Accumulated depreciation as at April 1, 2018	Depreciation during the year	Adjustments/sales during the year	Accumulated depreciation as at March 31, 2019	Carrying value as at March 31, 2019
Land - Free Hold	17,978.99	-	-	17,978.99	-	-	-	-	17,978.99
Land - Lease Hold	1,659.26	-	-	1,659.26	141.81	48.66	-	190.47	1,468.79
Building - Factory	22,818.78	179.37	-	22,998.15	2,531.61	838.19	-	3,369.80	19,628.35
Building - Non Factory	2,055.32	64.41	-	2,119.73	321.78	74.72	-	396.50	1,723.23
Tube Well	51.74	1.17	-	52.91	40.33	1.63	-	41.96	10.95
Plant & Machinery	62,204.80	316.56	1.77	62,523.13	28,086.16	3,658.43	-	31,744.59	30,778.54
Furniture & Fixtures	687.18	208.92	-	896.10	249.20	83.27	-	332.47	563.63
Vehicles	140.40	-	(0.36)	140.04	63.64	23.32	-	86.96	53.08
Electrical Fittings	3,422.78	199.51	(1.77)	3,620.52	1,359.02	406.63	-	1,765.65	1,854.87
Office & Factory Equipments	359.98	75.42	(2.16)	433.24	156.16	52.74	(0.62)	208.28	224.96
Computer	169.37	53.43	(3.02)	219.78	82.96	35.02	(1.94)	116.04	103.74
Railway	0.04	-	-	0.04	-	-	-	-	0.04
Lab Equipment	778.10	192.42	-	970.52	261.21	77.73	-	338.94	631.58
Total (PY)	112,326.74	1,291.21	(5.54)	113,612.41	33,293.88	5,300.34	(2.56)	38,591.66	75,020.75

Note No. 3**Capital Work-In-Progress**

(₹ in Lakh)

Particulars	For the year ended March 31, 2020				For the year ended March 31, 2019			
	Balance as at April 01, 2019	Additions during the year	Capitalized during the year	Balance as at March 31, 2020	Balance as at April 01, 2018	Additions during the year	Capitalized during the year	Balance as at March 31, 2019
Civil work	172.43	1.65	(7.63)	166.45	278.87	161.00	(267.44)	172.43
Plant & Machinery	857.90	112.69	(783.42)	187.17	255.39	688.00	(85.49)	857.90
Others	45.10	-	(4.37)	40.73	189.27	149.98	(294.15)	45.10
Total	1,075.43	114.34	(795.42)	394.35	723.53	998.98	(647.08)	1,075.43

2 Property Plant and Equipment

Leases

(i) Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below. The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019.

(₹ in Lakh)

Particulars	Amount
Add/(less): contracts reassessed as lease contracts	16.86
Lease liabilities as on 1 April 2019	16.86
Current lease liability	5.95
Non current lease liabilities	10.91

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(₹ in Lakh)

Particulars	Amount
Decrease in Property Plant and equipment by	1,468.79
Increase in lease liability by	16.86
Increase in rights of use by	16.86
Increase/Decrease in finance cost by	1.30
Increase/Decrease in depreciation by	10.32

(ii) As Lessee

(A) Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ in Lakh)

Particulars	As at March 31, 2020
Right-of-use assets, except for investment property	16.86
Total	16.86

(B) Maturity analysis of lease liabilities

(₹ in Lakh)

Particulars	As at March 31, 2020
Less than one year	4.67
One to five years	6.73
More than five years	7.07
Total undiscounted lease liabilities at March 31, 2020	18.47
Lease liabilities included in the statement of financial position at March 31, 2020	11.91
Current	3.78
Non-Current	8.13

(C) Amounts recognised in profit or loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2020
Interest on lease liabilities	1.30
Expenses relating to short-term/low value leases	148.52

(D) Amounts recognised in the statement of cash flows

(₹ in Lakh)

Particulars	For the year ended March 31, 2020
Total cash outflow for leases for which Right of Use of assets has been recognised	5.66

(iii) As Lessor**(A) Operating Lease**

- i) Gross Block of Land and Building includes the value of land and buildings given on lease for the period of 33 years to the Joint ventures (JV Co's) in 2007 in respect of 5 mills. The Joint ventures (JV) wise detail of the same is as under:

Land:

(₹ in Lakh)

Name of the Joint Venture Company	Area in sq. mtr. of land	Gross Block Value	Net Block Value
Apollo Textile Mills	*18,067	1.72	1.72
Gold Mohur Mills	30,149	1.29	1.29
New City of Bombay Mfg. Mills	27,106	1.00	1.00
Aurangabad Textile Mills	1,08,235	0.04	0.04
India United Mills No.1	86,006	282.84	282.84
Total	2,69,563	286.89	286.89
Previous Year	2,69,563	286.89	286.89

*Excluding set back area

Building:
(₹ in Lakh)

Name of the Mills	Gross Block Value	Accumulated Depreciation	Net Block Value
Apollo Textile Mills	4.36	0.69	3.67
Gold Mohur Mills	0.41	0.23	0.18
New City of Bombay Mfg. Mills	1.32	0.81	0.51
Aurangabad Textile Mills	2.64	0.36	2.28
India United Mills No.1	4.04	0.56	3.48
Total	12.77	2.66	10.11
Previous Year	12.77	1.51	11.26

- ii) As per lease agreement between NTC and the 5 Joint Venture Companies (JVC) dated 15.11.2007, lease of ₹ 0.001 Lakh each was received for leasing of Land and Building as per details given in the para below. The lease terms are for 33 years and renewable for 2 additional terms of 33 years each in accordance with terms of the present deed.

The lease rents receivable in respect of 5 JVC's are as under:

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	0.0050	0.0050
After one year but not more than five years	0.0200	0.0200
More than five years	0.0731	0.0781

Aggregate amount of rent received during the year under operating lease ₹ 0.005 Lakh (previous year ₹ 0.005 Lakh) towards the lease rent received from the JVCs in respect of Apollo Textile Mills, Gold Mohur Mills, New City of Bombay Mfg. Mills, Aurangabad Textile Mills and India United Mills No. 1 and same has been included in Other Income.

Note No. 4

Investment Property

(₹ in Lakh)

Particulars	Land	Building	Total
Gross block as at April 1, 2019	1,834.50	1,195.82	3,030.32
Additions	-	-	-
Gross block as at March 31, 2020	1,834.50	1,195.82	3,030.32
Accumulated depreciation as at April 1, 2019	-	36.41	36.41
Additions	-	19.29	19.29
Accumulated depreciation as at March 31, 2020	-	55.70	55.70
Carrying value as at March 31, 2020	1,834.50	1,140.12	2,974.62

(₹ in Lakh)

Particulars	Land	Building	Total
Gross block value as at April 1, 2018	1,834.50	1,195.82	3,030.32
Additions	-	-	-
Gross block value as at March 31, 2019	1,834.50	1,195.82	3,030.32
Accumulated depreciation as at April 1, 2018	-	17.11	17.11
Additions	-	19.30	19.30
Accumulated depreciation as at March 31, 2019	-	36.41	36.41
Carrying value as at March 31, 2019	1,834.50	1,159.41	2,993.91

Amounts recognized in Statement of Profit & Loss for Investment Property

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income	431.57	407.14
Direct operating expenses for property that did not generate rental income	51.00	69.05
Profit/(loss) from investment properties before depreciation	380.57	338.09
Depreciation	(19.30)	(19.30)
Profit/(loss) from investment properties	361.27	318.79

During the financial year 2019-20, the company has reclassified building having carrying value of ₹ 28.26 Lakh (Gross block ₹ 30.82 Lakh and accumulated depreciation ₹ 2.56 Lakh) as at April 01, 2018 and carrying value of ₹ 27.40 Lakh (Gross block 30.82 Lakh and accumulated depreciation ₹ 3.42 Lakh) as at March 31, 2019 from Property, plant and equipment to Investment properties during the year.

Disclosure in relation to fair Value of Investment Property

The company is in the process of getting fair value of its investment properties from National Buildings Construction Corporation Ltd (NBCC), accordingly no disclosure for fair value of these properties has been provided in the financial statements for the financial year 2019-20, the same will be provided in financial statements of upcoming years on receipt of valuation report from NBCC.

Note No. 5

Intangible Assets

(₹ in Lakh)

Particulars	Computer Software
Gross block as at April 1, 2018	18.23
Additions	7.23
Gross block as at March 31, 2019 (A)	25.46
Accumulated Amortization/Impairment as at April 1, 2018	4.63
Additions	2.43
Accumulated Amortization as at March 31, 2019 (B)	7.06
Carrying value as at March 31, 2019 (A-B)	18.40

(₹ in Lakh)

Particulars	Computer Software
Gross block as at April 1, 2019	25.46
Additions	-
Gross block as at March 31, 2020 (C)	25.46
Accumulated Amortization/Impairment as at April 1, 2019	7.06
Additions	1.54
Accumulated Amortization/Impairment as at March 31, 2020 (D)	8.60
Carrying value as at March 31, 2020 (C-D)	16.86

Note No. 6

Change in Method of Consolidation:

As per the directions of Audit Committee of the Company, NTC has taken opinion of Expert Advisory Committee (EAC) of ICAI on the matter of method of Consolidation of the following 5 Companies ("hereinafter referred as Joint Venture Companies") in which NTC has more than 51% of shareholding (as per Companies Act) :

1. Apollo Design Apparel Parks Limited
2. Goldmohur Design Apparel Parks Limited
3. India United Textile Mills Limited
4. Aurangabad Textiles and Apparel Parks Limited
5. New City of Bombay Mfg. Mills Limited"

Company upto the financial year 2018-19 has been consolidating above mentioned companies in its Consolidated financial Statements by line by line method treating the same as Subsidiary Companies.

ICAI EAC after considering the Join-venture agreements and other relevant documents vide its email dated October 09, 2020 has opined that the above Joint Venture Companies in the extant case are not a subsidiary of the NTC. Arrangements for these Joint-Venture Companies need to be considered as a Joint Arrangement and accordingly should be accounted as Joint Venture and Consolidation shall be done as per equity Method of consolidation."

Company has adopted the above opinion and has prepared Consolidated financial statements for the Financial Year 2019-20 by consolidating the accounts of these Joint-venture as per equity method considering change in accounting policy. Accordingly, the same has been applied w.e.f April 01, 2018 and comparative Consolidated financial statements has been restated . There is no impact of the same over Equity of the company as at April 01, 2018. Further, the company do not foresee any material effect on the information in the balance sheet at the beginning of the preceding period, accordingly only 2 Balance Sheet have been prepared.

Investment in Joint Ventures and Associate

The Company has a invested in entities as stated in below table where either Joint-Control or Significant influence of the Company exists. In the case where Joint-control exists, these entities are Joint-Ventures of the Company and in case significant influence exists, the entities are Associates to the Company. The Comapany's interest in Associate and Joint Venture Companies is accounted for using the equity method in its consolidated financial statements. The following table present summarised information of the Company's investment in Joint Ventures and Associates.

(₹ in Lakh)

S. No.	Name of Company	Listed/ Unlisted	No. of Shares hold	% of Shareholding	Relation
1	Aurangabad Textiles & Apparel Parks Ltd	Unlisted	1,060,800	51	Joint venture
2	New City of Bombay Mfg. Mills Ltd	Unlisted	4,676,700	51	Joint venture
3	Apollo Design Apparel Parks Ltd.	Unlisted	2,881,500	51	Joint venture
4	Goldmohur Design & Apparel Parks Ltd.	Unlisted	2,983,500	51	Joint venture
5	India United Textiles Mills Ltd.	Unlisted	6,482,610	51	Joint venture
6	Swadeshi Polytex Limited	Listed on BSE	13,117,500	33.63	Associate

Note No. 6

The following table present summarised financial information of the Company's investment in Joint Ventures and Associate

Calculation of carrying amount of Interest in Joint ventures and Associates

(₹ in Lakh)

Summarised Balance Sheet	Apollo Design Apparel Parks Limited		Goldmohur Design Apparel Parks Limited		India United Textile Mills Limited		New City of Bombay Mfg. Mills Limited		Aurangabad Textiles and Apparel Parks Limited		Swadeshi Polytex Limited		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current assets	15,352.30	12,210.77	14,062.79	14,021.61	16,083.49	16,116.07	9,093.97	9,176.56	1,220.52	1,280.33	961.91	881.28	56,774.98	53,686.62
Current liabilities	3,719.02	1,202.49	3,173.54	3,633.16	1,427.36	1,786.80	2,853.00	2,837.28	17.48	13.20	4,724.47	5,499.87	15,914.87	14,972.80
Net current assets	11,633.28	11,008.28	10,889.25	10,388.45	14,656.13	14,329.27	6,240.97	6,339.28	1,203.04	1,267.13	(3,762.56)	(4,618.59)	40,860.11	38,713.82
Non current assets	843.88	812.28	948.58	967.77	1,731.04	1,871.76	483.80	515.81	213.80	226.83	744.91	449.47	4,966.01	4,843.92
Non current liabilities	128.31	131.53	83.09	68.05	61.91	79.47	35.42	36.22	11.56	12.35	216.42	249.83	536.71	577.45
Net Non current assets	715.57	680.75	865.49	899.72	1,669.13	1,792.29	448.38	479.59	202.24	214.48	528.49	199.64	4,429.30	4,266.47
Net Assets	12,348.85	11,689.03	11,754.74	11,288.17	16,325.26	16,121.56	6,689.35	6,818.87	1,405.28	1,481.61	(3,234.07)	(4,418.95)	45,289.41	42,980.29
Company's share	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%	33.63%	33.63%		
Company's Share of net assets	6,297.91	5,961.41	5,994.92	5,756.97	8,325.88	8,222.00	3,411.57	3,477.62	716.69	755.62	-	-	24,746.97	24,173.62

Summarised Statement of Profit and Loss	Apollo Design Apparel Parks Limited		Goldmohur Design Apparel Parks Limited		India United Textile Mills Limited		New City of Bombay Mfg. Mills Limited		Aurangabad Textiles and Apparel Parks Limited		Swadeshi Polytex Limited		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Revenue	28,017.22	21,561.54	27,389.94	23,082.73	5,610.79	17,674.70	-	-	3.90	14.23	1,598.67	1,315.71	62,620.52	63,648.91
Profit and Loss	1,038.59	828.43	859.29	785.44	1,007.51	823.36	(128.85)	(132.91)	(76.14)	(75.60)	1,184.88	798.84	3,885.28	3,027.56
Other Comprehensive Income	(3.53)	3.89	(4.85)	0.97	0.69	(0.84)	(0.69)	(0.53)	(0.20)	0.34	-	-	(8.58)	3.83
Total Comprehensive Income (TCI)	1,035.06	832.32	854.44	786.41	1,008.20	822.52	(129.54)	(133.44)	(76.34)	(75.26)	1,184.88	798.84	3,876.70	3,031.39
Less: Dividend Distribution Tax Paid (DDT)	(64.49)	(63.26)	(66.14)	(65.50)	(137.17)	(130.64)	-	-	-	-	-	-	(267.80)	(259.40)
Company's share of profit/ (loss)	529.68	422.50	438.24	400.57	513.83	419.91	(65.71)	(67.79)	(38.83)	(38.57)	-	-	1,377.21	1,136.62
Company's share of OCI	(1.80)	1.98	(2.47)	0.49	0.35	(0.43)	(0.35)	(0.27)	(0.10)	0.17	-	-	(4.37)	1.94
Company's share of DDT	(32.89)	(32.26)	(33.73)	(33.41)	(69.96)	(66.63)	-	-	-	-	-	-	(136.58)	(132.30)
Amount recognised in consolidated statement of profit and loss during the year*	494.99	392.22	402.04	367.65	444.22	352.85	(66.06)	(68.06)	(38.93)	(38.40)	-	-	1,236.26	1,006.26

*Since the Company's share in net assets of Swadeshi Polytex Limited as per equity method is in negative in all above mentioned periods and the entity doesn't have any legal or constructive obligation on behalf of associate, no further losses of entity's share in Swadeshi Polytex Limited is recognised in consolidated statement of profit and loss during the periods and the recognition of Company's share in profit/loss of associate has been suspended till the carrying value of investment as per equity method turns into either zero or positive.

Note No. 7

Investments

(Amount in ₹)

Particulars	Cost of In-vestment	As at March 31, 2020			As at March 31, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NON CURRENT INVESTMENTS							
A. Investment in Subsidiaries							
Unquoted							
Equity Instrument at Cost							
Swadeshi Mining & Manufacturing Limited Fully paid up equity shares of ₹ 10 each	1,65,80,153	17,18,344	1,65,80,153.00	1,65,80,153.00	17,18,344	1,65,80,153.00	1,65,80,153.00
Sub Total (A)			1,65,80,153.00	1,65,80,153.00		1,65,80,153.00	1,65,80,153.00
Total			1,65,80,153.00	1,65,80,153.00		1,65,80,153.00	1,65,80,153.00
B. Other Investments							
(i) Quoted							
At Fair value through Other Comprehensive Income							
A. Investment in Equity Instruments							
NTC-HO							
Lakshmi Machine Works Limited Fully paid up equity shares of ₹ 10 each	1,000.00	480	11,04,168.00	-	480	29,24,664.00	-
Sub-Total (C)			11,04,168.00	-		29,24,664.00	-
NTC-UP							
Century Tex & Ind Ltd. Fully paid up equity shares of ₹ 10 each	512.00	480.00	1,41,984.00	-	480	4,47,624.00	-
Standard Ind Limited Fully paid up equity shares of ₹ 5 each	215.00	84.00	777.00	-	84	1,293.60	-
Binny Mills Ltd Fully paid up equity shares of ₹ 10 each	3,591.00	67.00	2,730.25	-	67	3,942.95	-
S.V. Global Mills Ltd Fully paid up equity shares of ₹ 5 each	-	470.00	14,875.50	-	470	24,675.00	-
Sub-Total (D)			1,60,366.75	-		4,77,535.55	-

Particulars	Cost of Investment	As at March 31, 2020			As at March 31, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NTC-DPR							
Akzo Nobel India Ltd Fully paid up equity shares of ₹ 10 each	325.00	15	33,195.75	-	15	27,042.75	-
Arvind Limited Fully paid up equity shares of ₹ 10 each	383.00	13	255.45	-	13	1,182.35	-
Sub-Total (E)			33,451.20	-		28,225.10	-
NTC-WRO							
The Phoenix Mills Ltd Fully paid up equity shares of ₹ 2 each	81.00	250	1,43,012.50	-	250	1,65,675.00	-
The Century Spg. & Wvg. Co. Ltd. (Now Century Text. And Ind. Ltd.) Fully paid up equity shares of ₹10 each	740.00	250	73,950.00	-	250	2,33,138.00	-
The Simplex Mills Co. Ltd. Fully paid up equity shares of ₹ 10 each	79.00	7	70.00	-	7	74.00	-
The Morarjee Gokuldas Spg. & Wvg. Co Ltd. (Now- Peninsular Land Ltd.) Fully paid up equity shares of ₹ 7 each	1.00	400	936.00	-	400	3,328.00	-
The Bombay Dying & Mfg Co. Ltd. Fully paid up equity shares of ₹ 2 each	272.00	125	5,725.00	-	125	16,880.00	-
The Swan Mills Co. Ltd (Now Swan Energy Ltd) Fully paid up equity shares of ₹ 2 each	1,026.00	1,000	1,00,350.00	-	1,000	1,07,400.00	-
The Dawn Mills Co. Ltd. (Peninsular Land) Fully paid up equity shares of ₹ 2 each	1.00	100	234.00	-	100	832.00	-
The Victoria Mills Ltd. Fully paid up equity shares of ₹ 100 each	150.00	1	1,340.50	-	1	2,400.00	-
Sub-Total (F)			3,25,618.00	-		5,29,727.00	-
Total 2 (C+D+E+F)			16,23,603.95	-		39,60,151.65	-
(ii) Un-Quoted							
Equity Instrument at Cost							
A. Investment in Equity Instruments							
NTC-DPR							
Kohinoor Mills Co. Ltd. Fully paid up equity shares of ₹ 100 each	175.00	1	175.00	175.00	1	175.00	175.00

Particulars	Cost of Investment	As at March 31, 2020			As at March 31, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
Tata Mill Ltd. Fully paid up equity shares of ₹ 25 each	33.00	1	33.00	33.00	1	33.00	33.00
The Mafat Lal Fine Spg & Mfg Co Ltd Fully paid up equity shares of ₹ 100 each	445.00	1	445.00	445.00	1	445.00	445.00
The Khatau Makanhi Spg & Wvg Mills Limited Fully paid up equity shares of ₹ 100 each	128.00	1	128.00	128.00	1	128.00	128.00
The Shree Niwas Cotton Mills Ltd. Fully paid up equity shares of ₹ 100 each	765.00	5	765.00	765.00	5	765.00	765.00
Mafatal Engg. Ind. Ltd. Fully paid up equity shares of ₹ 100 each	35,600.00	356	35,600.00	35,600.00	356	35,600.00	35,600.00
Sub-Total (G)			37,146.00	37,146.00		37,146.00	37,146.00
NTC-UP							
Dhanlaxmi Mills Ltd. Fully paid up equity shares of ₹ 10 each	2,603.00	15	2,603.00	2,603.00	15	2,603.00	2,603.00
C.P. Properties Ltd. Fully paid up equity shares of ₹ 100 each	6,97,775.00	6,900	6,97,775.00	6,97,775.00	6,900	6,97,775.00	6,97,775.00
Beardsheel Ltd. Fully paid up equity shares of ₹ 10 each	2,380.00	90	2,380.00	2,380.00	90	2,380.00	2,380.00
Mafatal Engg. Industries Ltd. Fully paid up equity shares of ₹ 100 each	10,000.00	100	10,000.00	10,000.00	100	10,000.00	10,000.00
Dalhousie Holding Limited Fully paid up equity shares of ₹ 10 each	3,81,619.00	3,650	3,81,619.00	3,81,619.00	3,650	3,81,619.00	3,81,619.00
Elgin Mills Co. Ltd. Fully paid up equity shares of ₹ 10 each	275.00	50	275.00	275.00	50	275.00	275.00
Cawnpore Textile Mills Fully paid up equity shares of ₹ 5 each	112.00	50	112.00	112.00	50	112.00	112.00
Sub-Total (H)			10,94,764.00	10,94,764.00		10,94,764.00	10,94,764.00
NTC-WRO							
Shree Nivas Cotton Mills Ltd. Fully paid up equity shares of ₹ 100 each	168.00	1	168.00	168.00	1	168.00	168.00
Swadeshi Mill Co. Ltd. Fully paid up equity shares of ₹ 10 each	178.00	10	178.00	178.00	10	178.00	178.00

Particulars	Cost of Investment	As at March 31, 2020			As at March 31, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
Khetau Makanji Spg. & Wvg. Co. Ltd. Fully paid up equity shares of ₹ 100 each	1.00	1	1.00	1.00	1	1.00	1.00
Standard Mills Co. Ltd. Fully paid up equity shares of ₹ 10 each	1,204.00	60	1,204.00	1,204.00	60	1,204.00	1,204.00
Mafatlal Fine Spg. & Wvg. Co. Ltd. Fully paid up equity shares of ₹ 100 each	361.00	5	361.00	361.00	5	361.00	361.00
Bradbury Mills Ltd. Fully paid up equity shares of ₹ 50 each	845.00	5	845.00	845.00	5	845.00	845.00
Laxmi Vishnoo Cotton Mills Ltd. Fully paid up equity shares of ₹ 100 each	63.00	1	63.00	63.00	1	63.00	63.00
Mafatlal Engineering Ind. Ltd. Mumbai Fully paid up equity shares of ₹ 200 each	25,100.00	251	25,100.00	25,100.00	251	25,100.00	25,100.00
Tata Services Ltd. Fully paid up equity shares of ₹ 1000 each	1,75,000.00	175	1,75,000.00	-	175	1,75,000.00	-
Associated Buildings Ltd. Fully paid up equity shares of ₹ 1000 each	75,000.00	250	75,000.00	-	250	75,000.00	-
Cesta Bella Co-Hsg Soc. Fully paid up equity shares of ₹ 10 each	500.00	50	500.00	-	50	500.00	-
Rosary Co-Hsg Soc. Fully paid up equity shares of ₹ 100 each	1,000.00	10	1,000.00	-	10	1,000.00	-
Gulmohur Co-Hsg Soc. Fully paid up equity shares of ₹ 50 each	250.00	5	250.00	-	5	250.00	-
New Piece Goods Bazar Co. Ltd. Fully paid up equity shares of ₹ 100 each (Includes 192 bonus shares fully paid up equity shares of ₹ 100)	24,000.00	432	24,000.00	-	432	24,000.00	-
Sub-Total (I)			3,03,670.00	27,920.00		3,03,670.00	27,920.00
NTC-GUJ							
Others	11,792.00		11,792.00	9,900.00		11,792.00	9,900.00
Sub-Total (J)			11,792.00	9,900.00		11,792.00	9,900.00

Particulars	Cost of Investment	As at March 31, 2020			As at March 31, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NTC-SRO							
OPG Power Generation Pvt. Ltd.	25,20,800.00	2,19,200	25,20,800.00	-	2,19,200	25,20,800.00	-
OPG POWER Generation Pvt Limited- 219200 Shares of ₹ 10 each {at the premium of ₹ 1.50 per share} (Partly paid up ₹ 3.95433 per share in the year 2016-17)							
United Bleachers Limited	1,20,000.00		1,20,000.00	1,20,000.00		1,20,000.00	1,20,000.00
Kerala State Handloom Development Corporation Ltd.	5,000.00		5,000.00			5,000.00	
Sub-Total (K)			26,45,800.00	1,20,000.00		26,45,800.00	1,20,000.00
B. Investment in Government or Trust Securities							
NTC-DPR							
UCM Sehkarl Upbhokta Bandar, Udaipur Fully paid up equity shares of ₹ 10 each	100.00	10	100.00	100.00	10	100.00	100.00
Sub-Total (L)	100.00	10.00	100.00	100.00	10.00	100.00	100.00
NTC-MP							
Government Securities	8,100.00		8,100.00	8,100.00		8,100.00	8,100.00
Sub-Total (M)			8,100.00	8,100.00		8,100.00	8,100.00
NTC-SRO							
Government Securities	1,000.00		1,000.00			1,000.00	
Sub-Total (N)			1,000.00	-		1,000.00	-
NTC- GUJ							
Government Securities	6,811.91		6,811.91	6,811.91		6,811.91	6,811.91
Sub-Total (O)			6,811.91	6,811.91		6,811.91	6,811.91
Total 3 (G+H+I+J+K+L+M+N+O)			41,09,183.91	13,04,741.91		41,09,183.91	13,04,741.91
Other Non Current Investment							
NTC-SRO							
Western India Ind. Corp. Ltd.	15,000.00		15,000.00			15,000.00	
Others	56,385.00		56,385.00	22,705.00		56,385.00	22,705.00
Sub-Total (P)			71,385.00	22,705.00		71,385.00	22,705.00

Particulars	Cost of Investment	As at March 31, 2020			As at March 31, 2019		
		No. of Shares	Amount	Impairment	No. of Shares	Amount	Impairment
NTC-WBBO							
Others	98,718.00		98,718.00	98,718.00		98,718.00	98,718.00
Sub-Total (Q)			98,718.00	98,718.00		98,718.00	98,718.00
NTC-MP							
Matatal Engg. Ind. Limited Fully paid up equity shares of ₹ 100 each	92,900.00	929	92,900.00	92,900.00	929	92,900.00	92,900.00
Indore Cloth Market Warehouse Ltd Fully paid up equity shares of ₹ 100 each	2,100.00	21	2,100.00	-	21	2,100.00	-
Delhi Ahilya New Cloth market Co Ltd Fully paid up equity shares of ₹ 100 each	2,000.00	20	2,000.00	-	20	2,000.00	-
Sub-Total R)			97,000.00	92,900.00		97,000.00	92,900.00
Total 4 (P+Q+R)			2,67,103.00	2,14,323.00		2,67,103.00	2,14,323.00
Total (1+2+3+4)			2,25,80,043.86	1,80,99,217.91		2,49,16,591.56	1,80,99,217.91

(₹ in Lakh)

Particulars	As at March 31, 2020 Total Value	As at March 31, 2019 Total Value
Total value of Investment	225.81	249.17
Aggregate amount of Impairment in the value of Investment	(180.99)	(180.99)
Carrying value of Investment	44.82	68.18
Carrying amount of Quoted Investment	16.24	39.60
Gross amount of Unquoted Investment	28.58	28.58

Note No. 8

Loans

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non - Current		
<i>Unsecured (considered good)</i>		
Loans to employees	0.16	0.16
Security Deposits	2,739.34	2,875.65
Sub- Total(A)	2,739.50	2,875.81
<i>Credit impaired</i>		
Loans to Employees	71.87	72.16
Less: Allowance for bad and doubtful loans	(71.87)	(72.16)
Loans to Related Parties	1,111.75	1,111.75
Less: Allowance for bad and doubtful loans	(1,111.75)	(1,111.75)
Loan to Mohini Mills	3,574.09	3,574.09
Less: Allowance for bad and doubtful loans	(3,574.09)	(3,574.09)
Others Loans	123.36	154.04
Less: Allowance for bad and doubtful loans	(123.36)	(154.04)
Sub- Total(B)	-	-
Total Non-Current (A+B)	2,739.50	2,875.81
Current		
<i>Unsecured (considered good)</i>		
Loans to employees	375.27	359.60
Loans to related parties**	179.15	179.15
Security deposits	20.88	19.06
Loan to British India Corporation	6,610.00	5,610.00
Loan to HHEC	700.00	-
Others	9.19	30.92
Sub- Total	7,894.49	6,198.73
Total Current	7,894.49	6,198.73

**Loan to Swadeshi Polytex Ltd

Note No. 9

Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Bank deposits with more than 12 months maturity	2.70	1,003.45
Bank deposits with more than 12 months maturity - Earmarked	161.08	155.78
Balance with post office	0.30	0.30
Total	164.08	1,159.53

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Interest accrued on deposits, loans and advances	427.08	942.99
Current account with subsidiary companies	165.30	162.22
Claim receivable	2,612.19	3,029.50
Receivable from Govt. of Puducherry	3,424.48	3,424.48
Rent receivable	258.40	176.62
ISDS Receivable	159.10	159.10
Duty drawback receivable	21.15	21.15
Others	36.86	40.96
Total	7,104.56	7,957.02

Note No. 10

Other Assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Capital Advances		
Unsecured, considered good	20.83	344.89
Unsecured, considered doubtful	132.29	132.29
Allowances for doubtful advances	(132.29)	(132.29)
Total	20.83	344.89
Silver Coins/Vessels	18.08	18.08
Advance against Tax Payments (Sales Tax, Excise and other Statutory Receivables)	237.90	388.54
Deposit with govt. bodies	109.40	116.54
Less: Provision for deposit with govt. bodies	(25.53)	(25.53)
Deposit with Courts/Tribunals	965.81	887.38
Less: Provision for Deposit with Courts/tribunals	(217.34)	(217.34)
Other deposits	140.93	137.63
Less: Provision for other deposits	(77.64)	(77.64)
Employee's Family welfare fund deposits/securities	132.49	123.81
Commissioner of payment (doubtful)	1,804.53	1,804.53
Less: Provision for doubtful commissioner of payments	(1,804.53)	(1,804.53)
Deposit with PF authorities under protest	85.05	85.05
Less: Provision for deposit with PF authorities	(47.36)	(47.36)
Deposit with ESI authorities	594.60	594.60
Less: Provision for deposit with ESI authorities	(1.31)	(1.31)
Claim receivable from central govt.	12,027.48	12,027.48
Others (Considered Good)	0.30	0.30
Other considered doubtful	903.07	899.76
Less: Provision for doubtful assets	(903.07)	(899.76)
Total	13,963.69	14,355.12

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Balance with Excise & Custom authorities/Export incentive	60.93	5.51
Deposit with govt. bodies	396.63	216.25
Advance against Tax Payments (GST Receivables)	801.92	642.94
Commissioner of payment (good)	115.66	115.66
Prepaid expenses	272.82	161.22
Other deposits	14.75	21.98
Advance for the supply of goods/services	414.09	624.49
Others	197.22	209.08
Total	2,274.02	1,997.13

Note No. 11**Inventories**

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	3,381.45	5,732.10
Raw materials in transit	-	24.38
Work in process	3,160.27	3,843.81
Finished goods	15,125.24	19,285.28
Finished goods in transit	34.34	34.34
Less: Provision for finished goods in transit	(34.34)	(34.34)
Stock in trade	1,557.90	1,509.81
Stock in trade in transit	21.08	-
Stores and Spares	629.11	692.10
Stores and Spares in transit	5.85	8.64
Less: Provision for obsolete stores and other inventories	(132.15)	(279.69)
Waste	382.08	311.54
Scrap	122.37	149.48
Total	24,253.20	31,277.45

Note No. 12**Trade Receivables**

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured, considered good	-	3.35
Unsecured, considered good	1,292.36	2,272.68
Credit impaired	2,392.37	2,374.76
Allowances for doubtful debts	(2,392.37)	(2,374.76)
Total (Current)	1,292.36	2,276.03

Movement in allowances for doubtful debt

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	2,374.76	2,372.49
Allowances recognised during the year	19.69	6.02
Amounts recovered during the year	(2.08)	(3.75)
Balance at the end of the year	2,392.37	2,374.76

Note No. 13

Cash & Cash Equivalents

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	17.69	11.18
Cheques, drafts, stamps in hand	9.26	0.97
Balances with banks	5,758.02	583.24
In fixed deposit with original maturity upto 3 months	592.10	2,294.27
Total	6,377.07	2,889.66

Note No. 14

Bank Balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Employee security deposits	5.85	5.47
In term deposit with original maturity upto 12 months - Earmarked	2,068.56	2,413.23
In term deposit with original maturity more than 3 months upto 12 months	16,954.39	34,766.49
Deposits for margin money	3.28	3.06
Other balances with bank (disputed)	16.43	16.43
Less: Provision for bank balances	(16.43)	(16.43)
Total	19,032.08	37,188.25

Note No. 15

Current tax assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax paid (TDS)	826.86	799.27
Total	826.86	799.27

Note No. 16

Assets classified as held for sale

(₹ in Lakh)

S. No.	Particular	As at March 31, 2020			As at March 31, 2019		
		Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
1	Plant & Machinery	1,408.02	1,057.64	350.38	1,408.02	1,057.64	350.38
2	Furniture & fixtures	0.25	0.17	0.08	0.25	0.17	0.08
3	Electrical fittings	1.65	1.12	0.53	1.65	1.12	0.53
4	Office & factory equipment	0.64	0.58	0.06	0.64	0.58	0.06
5	Transfer Development Right (TDR)	141,348.00	-	141,348.00	141,348.00	-	141,348.00
	Total	142,758.56	1,059.51	141,699.05	142,758.56	1,059.51	141,699.05

Note No. 17

Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized Equity shares of ₹ 1000 each 50,000,000 equity share	500,000.00	500,000.00
Issued, subscribed and fully paid Equity shares of ₹ 1000 each 30,621,601 equity shares	306,216.01	306,216.01
Total	306,216.01	306,216.01

Reconciliation of number of shares:

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares as at April 01, 2018 Add:- No. of shares, share Capital issued/ subscribed during the year	30,621,601	30,621,601
Equity shares as at March 31, 2019	30,621,601	30,621,601
Equity shares as at April 01, 2019 Add:- No. of shares, share capital issued/ subscribed during the year	30,621,601	30,621,601
Equity shares as at March 31, 2020	30,621,601	30,621,601

Shares in the company held by shareholder holding more than 5 percent

Particulars	As at March 31, 2020	As at March 31, 2019
- Government of India	99.76%	99.76%

Note No. 18

Other Equity

(₹ in Lakh)

Particulars	Reserve and Surplus			Equity instruments through OCI	Share in Other Comprehensive Income of entities accounted using Equity Method	Revaluation Surplus	Remeasurement gain/(loss) on defined benefit plans	Total
	Capital Reserve	Special Reserve u/s 36 (i) (viii) of the Income Tax Act	Retained Earnings					
Balance as at April 1, 2018	345,584.78	242.48	(426,653.69)	45.95	3.48	16,722.89	530.06	(63,524.05)
Profit and loss for the period	-	-	(31,107.03)	-	-	-	-	(31,107.03)
Other comprehensive income for the year	-	-	-	(6.43)	1.94	-	449.42	444.93
Total comprehensive income for the year	-	-	(31,107.03)	(6.43)	1.94	-	449.42	(30,662.10)
Balance as at March 31, 2019	345,584.78	242.48	(457,760.72)	39.52	5.42	16,722.89	979.48	(94,186.15)
Balance as at April 1, 2019	345,584.78	242.48	(457,760.72)	39.52	5.42	16,722.89	979.48	(94,186.15)
Profit for the year	-	-	(34,077.75)	-	-	-	-	(34,077.75)
Other comprehensive income for the year	-	-	-	(23.37)	(4.37)	-	(332.23)	(359.97)
Total comprehensive income for the year	-	-	(34,077.75)	(23.37)	(4.37)	-	(332.23)	(34,437.72)
Balance as at March 31, 2020	345,584.78	242.48	(491,838.47)	16.15	1.05	16,722.89	647.25	(128,623.87)

Note No. 19**Other Financial Liabilities****(₹ in Lakh)**

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Lease Liabilities	8.13	-
Earnest money/security deposit	13.78	14.87
Employees security deposit	17.68	18.26
Total	39.59	33.13
Current		
Interest accrued and due on Cash credit from Bank of Mysore	75.45	75.45
Current maturity of Lease Liabilities	3.78	-
Interest accrued and due on loan from Government of India	53,751.28	49,067.53
Sundry creditors for machinery	565.62	595.38
Trade deposits	640.54	906.60
Earnest money/security deposit	1,865.30	1,914.31
Current account with subsidiary companies	226.60	413.00
Contribution towards Textile Museum	2,000.00	2,000.00
Joint Venture upfront money	840.00	840.00
Other deposit payables (Chawl etc.)	522.35	522.95
Payable to Workers for Back wages	622.01	629.44
Employee's liabilities for 3rd pay revision	4,939.56	3,479.53
Other employee's liabilities	4,018.30	3,866.70
Interest on Cotton dues and security deposits	1,752.16	1,544.31
Electricity charges payable	1,763.43	2,095.39
Commission payable	281.84	445.65
Expense and Contractual payables	1,229.16	1,558.14
Total	75,097.38	69,954.38

Note No. 20

Provisions

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
For employee benefits		
Gratuity	8,443.07	8,257.45
Leave salary/ wages	1,298.72	1,284.53
LTC	41.80	46.98
Terminal benefits	62.48	58.66
Total	9,846.07	9,647.62
Current		
For employee benefits		
Gratuity	2,566.08	2,840.91
Leave salary/ wages	403.03	551.33
Sick leave	327.66	445.65
LTC	3.86	7.07
Terminal benefits	3.82	9.47
Total	3,304.45	3,854.43

Note No. 21

Deferred Tax Assets/ (Liabilities)

Movement in deferred tax balances for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Balance As at April 1, 2018	Credit/(charge) Recognised in profit & loss	Balance As at March 31, 2019
Property, plant and equipment	(9,919.32)	(1,553.79)	(11,473.11)
Sub -Total (A)	(9,919.32)	(1,553.79)	(11,473.11)
Provisions	3,365.70	(73.00)	3,292.70
Unabsorbed depreciation	4,014.12	1,741.15	5,755.27
Carried Forward Business Loss	2,539.50	(114.36)	2,425.14
Sub -Total (B)	9,919.32	1,553.79	11,473.11
Net deferred assets/(liabilities)	-	-	-

Movement in deferred tax balances for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Balance As at April 1, 2019	Credit/(charge) Recognised in profit & loss	Balance As at March 31, 2020
Property, plant and equipment	(11,473.11)	(1,128.10)	(12,601.20)
Sub -Total (A)	(11,473.11)	(1,128.10)	(12,601.20)
Provisions for Employee benefits	-	4,102.96	4,102.96
Provisions	3,292.70	91.38	3,384.08
Unabsorbed depreciation	5,755.27	(641.10)	5,114.16
Carried forward business loss	2,425.14	(2,425.14)	-
Sub -Total (B)	11,473.11	1,128.10	12,601.20
Net deferred assets/(liabilities)	-	-	-

*Due to lack of virtual certainty of future taxable profits deferred tax assets has been recognised only upto deferred tax liabilities

Reconciliation of effective tax rates

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	(34,077.75)	(31,107.03)
Enacted tax rate	31.20	31.20
Computed expected tax expenses	(10,632.26)	(9,705.39)
Tax expenses for the year	-	-

Note No. 22

Other Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Employee's family welfare fund deposits/Securities	132.49	123.81
Payable to Workers/Employees on behalf of Central Government	615.32	675.40
Disputed Indirect taxes	340.24	386.88
Disputed Electricity dues	1,141.52	1,311.69
Disputed PF/ESI dues, interest and damages thereon	2,705.47	2,705.08
Others payables	9.85	9.55
Total	4,944.89	5,212.41

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Commissioner of payment in respect of nationalised mills	2,099.67	2,082.47
Controlled cloth subsidy balance	137.42	137.42
Interest on account of Controlled Cloth Subsidy	3,001.83	3,001.83
Advance against sale of assets	1,204.51	1,204.51
Statutory Dues (TDS, TCS, GST, PF, ESI)	630.88	748.90
Payable to Workers/Employees on behalf of Central Government	249.54	267.31
Property and water taxes payable	686.20	507.15
Advance against future supplies	200.44	346.66
Advance received for ISDS	167.64	167.64
Other Misc. liabilities	361.66	598.40
Total	8,739.79	9,062.29

Note No. 23

Borrowings (Current)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured		
Documentary bill purchase from bank	-	-
Other short term loans from banks	73.59	66.70
(Secured by hypothecation of Stores, Raw Materials, Finished Goods, Work in Progress, Trade Deposits and Fixed Deposit)		
Unsecured		
Loan from Government of India	27,000.00	27,000.00
Total	27,073.59	27,066.70

Note No. 24**Borrowings (Current)****(₹ in Lakh)**

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
A) Total outstanding dues to MSMEs (A)*	855.18	502.86
B) Total outstanding dues to other than MSMEs		
- Sundry creditors for raw material	18,603.22	15,219.29
- Sundry creditors for stores, Spare and Tools	538.09	698.22
- Hank yarn obligations	196.50	208.12
- Others (for readymades etc.)	527.57	534.03
Sub-Total (Dues to Other than MSMEs)(B)	19,865.38	16,659.66
Total(A+B)	20,720.56	17,162.52

Ref Note No. 34.10

Note No. 25**Revenue from Operations****(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Sale of Products		
Cloth	6,587.94	13,734.43
Yarn	75,206.83	89,917.93
Readymade	797.33	1,220.19
Total A	82,592.10	104,872.55
B. Sale of Services		
Job conversion charges	141.84	63.11
Total B	141.84	63.11
C. Other Operating Revenue		
Sale of waste	2,307.68	3,249.06
Total C	2,307.68	3,249.06
Total A+B+C	85,041.62	108,184.72

Note No. 26

Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Interest Income		
Interest on bank deposits	2,336.03	3,423.04
Interest on delayed payment/lifting	163.90	192.49
Interest on Security Deposits	166.86	272.68
Interest on Loan to British India Corporation	46.48	-
Interest on Loan to HHEC	32.54	-
Interest on others	0.34	21.58
Total A	2,746.15	3,909.79
B. Dividend Income		
Dividend from other companies	1.19	0.29
Total B	1.19	0.29
C. Other Non Operating Revenue		
Rent income	793.45	611.42
Insurance and other claims	36.38	2.66
Sale of scrap and other unserviceable stores	106.91	99.93
Stock deficit recovered	6.71	4.47
Sundry balances written back	90.11	32.45
Provision written back	181.10	2.33
Cash discount	198.76	111.13
Forfeiture of security deposit (other than sale of assets)	0.35	0.57
Foreign exchange rate difference (net)	4.47	60.15
Export Incentive	59.17	-
Subsidy on Electricity charges	645.68	345.16
Miscellaneous receipts	98.14	182.98
Total C	2,221.23	1,453.25
Total A+B+C	4,968.57	5,363.33

Note No. 27**Cost of Materials Consumed****(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials/ Semi finished		
Stock at the beginning of the year	5,756.48	7,522.86
Add : Purchases	48,867.51	66,674.44
Less : Stock at the end of the year	(3,381.45)	(5,756.48)
Raw materials/ Semi finished consumed - sub total	51,242.54	68,440.82
Packing material consumed	1,002.07	1,239.06
Total	52,244.61	69,679.88

Note No. 28**Changes in inventories of finished goods, stock in trade and work in progress****(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening inventories		
Finished goods		
Cloth	5,662.30	6,013.42
Yarn	13,657.32	11,591.39
Work-in-process	3,843.81	4,522.59
Stock-in-trade	1,509.81	1,836.83
Waste	311.54	364.51
Scrap	149.48	123.09
Total opening inventories (A)	25,134.26	24,451.83
Closing inventories		
Finished goods		
Cloth	4,940.63	5,662.30
Yarn	10,218.95	13,657.32
Work-In-Process	3,160.27	3,843.81
Stock-In-Trade	1,578.98	1,509.81
Waste	382.08	311.54
Scrap	122.37	149.48
Total closing inventories (B)	20,403.28	25,134.26
Total changes in inventories (A-B)	4,730.98	(682.43)

Note No. 29

Employees' Benefit Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	25,983.96	26,731.16
Contribution to provident and other funds	2,780.14	2,912.90
Staff welfare expenses	1,123.55	1,352.55
Total	29,887.65	30,996.61

Note No. 30

Finance Cost

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses		
- Interest on loan from Govt of India	4,683.75	4,683.75
- Interest on bank loan for working capital	4.01	14.51
- Interest on Lease liabilities	1.30	-
- Interest on trade credits	3.77	5.24
- Interest on cotton dues	1,079.60	895.02
- Interest on Earnest Money Deposits/Trade deposits	21.79	25.75
- Interest on provident fund and ESI dues	0.01	0.04
- Interest on other loans and deposits	1.22	8.33
- Interest on other*	155.84	146.04
Total	5,951.29	5,778.68

Note No. 31

Depreciation and amortization expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, plant and equipment	4,870.65	5,300.33
Depreciation on Investment property	19.30	19.30
Depreciation on Right of Use Assets	58.98	-
Amortization of Intangible assets	1.54	2.43
Total	4,950.47	5,322.06

Note No. 32

Other Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores, Spares, Dyes & Chemicals	2,076.97	3,214.37
Power, Fuel and Water	19,150.55	24,144.58
Repairs to machinery	396.32	489.47
Repairs to building	328.50	339.78
Repairs to other assets	71.23	58.94
Processing charges	873.07	464.47
Job charges	44.08	41.87
Stitching charges	6.56	18.99
Hank yarn obligation	38.29	117.07
Rent	148.52	167.47
Rates & taxes	751.36	718.85
Insurance	383.09	178.01
Publication of notices	3.03	17.22
Entertainment expenses	9.92	25.63
Hotel and Incidental	24.51	22.29
Payment to Statutory Auditors		
- For Statutory audits	44.64	35.47
- For Tax audits	13.35	10.53
- For Other services	3.00	3.00
- Reimbursement of expenses	1.91	2.83
Payment to Other Auditors		
- For Internal audits	21.86	21.00
- For Cost audits	5.56	5.84
- For Taxation work	0.19	0.12
- Other matters	-	1.64
For Management services	-	3.89
Postage, telegram & fax	25.13	32.65
Telephones	84.94	97.63
Printing & stationery	77.49	98.93
Vehicles running & maintenance	49.66	58.39
Legal and professional charges	608.11	1,012.31
Traveling expenses	171.25	242.95
Local conveyance	100.57	163.60
Director's traveling expenses	10.60	8.39

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Director's sitting fees	6.96	5.76
Water and electricity charges	235.20	230.33
Miscellaneous expenses	80.28	229.48
Data processing charges	30.27	21.58
Watch and ward expenses	660.44	606.59
Festival expenses	28.91	24.17
Annual maintenance charges	26.14	34.19
Fee and subscription	18.50	21.29
Filing Fee	2.57	0.12
Other administrative expenses	75.54	104.02
Carrying charges on cotton	28.22	15.53
Training & development	11.89	24.57
Meeting/ committee expenses	12.99	19.17
Bank charges	15.08	73.92
Surcharge on water/electricity etc.	-	4.40
Loss due to fire	27.14	35.69
Provisions		
- Trade receivable	19.69	6.02
- Loan	2.09	2.09
- Other assets	1.44	0.20
- Obsolete stores and other inventories	0.27	41.94
Corporate social responsibility	-	2.00
Sales expenses	37.28	72.74
Publicity expenses	38.73	135.13
Export expenses	0.04	0.11
Other incidental, forwarding expenses	109.41	117.32
Total	26,993.34	33,646.54

Note No. 33

Exceptional Items

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Modified voluntary retirement scheme	(8.34)	(132.35)
Profit/(loss) on sale of assets	(1.23)	(1.45)
Loss on demolition of collapsible building by authorities	(18.46)	-
Damages paid to Provident fund authorities	(10.19)	-
Total	(38.22)	(133.80)

Note No. 34**34.01 Contingent Liabilities:****(₹ in Lakh)**

	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Claims against the company not acknowledged as debts including foreign currency claim towards:		
	- Workmen Compensation	5,509.43	7,603.31
	- Excise and Custom Duty	355.12	465.84
	- Sales Tax/Purchase Tax Disputed	7,191.13	5,856.18
	- Disputed Claims in appeals	664.59	617.89
	- Disputed property tax and other taxes	1,975.70	1,908.10
	- Premium claimed by Government of Maharashtra– New Hind Textile Mills	3,477.62	5,630.16
	- Interest on Income tax dues – case pending before BIFR	-	-
	- Others	3,853.17	3,689.37
b)	Others		
	- Disputed Income Tax Demand	4.55	4.55
	- Estimated damages and interest on PF & ESI dues (pre nationalisation)	213.90	213.90
	- Estimated damages on PF & ESI dues (post nationalisation)	11,892.38	12,039.23
	- Electricity Dues (pre nationalisation/ under litigation)	290.36	104.62
	- Liability Towards export obligations	721.38	721.38
	Total	36,149.33	38,854.53

- a) The company is sufficiently assured that there will be no outflow of resources for liabilities considered as contingent and the outflow of any resource towards interest/penalty on these contingent liabilities is absolutely remote. It is not practically possible to estimate the financial effect towards interest/penalty of these contingent liabilities. Hence, interest/penalty on these contingent liabilities has not been disclosed in the financial statements except in the cases where it can be reliably estimated.

34.02 Commitments:**(₹ in Lakh)**

	Particulars	As at March 31, 2020	As at March 31, 2019
1	Estimated amount of contract remaining to be executed on Capital Account	258.12	252.29
	Total	258.12	252.29

34.03 Disclosures in respect of Ind AS 107 - Financial Instruments

A. Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories are as follows:

(₹ in Lakh as at March 31, 2020)

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments					
- Equity Instruments		-	44.27	44.27	44.27
- Government securities	-	-	0.01	0.01	0.01
- Other non-current investment	-	-	0.53	0.53	0.53
Cash & Cash Equivalents	6,377.07	-	-	6,377.07	6,377.07
Bank Balances other than cash and cash equivalents	19,032.08	-	-	19,032.08	19,032.08
Trade Receivables	1,292.36	-	-	1,292.36	1,292.36
Loans	10,633.99	-	-	10,633.99	10,633.99
Other Financial Assets	7,268.64	-	-	7,268.64	7,268.64
Liabilities:					
Trade Payables	20,720.56	-	-	20,720.56	20,720.56
Borrowings	27,073.59	-	-	27,073.59	27,073.59
Other Financial Liabilities	75,136.97	-	-	75,136.97	75,136.97

The carrying value and fair value of financial instruments by categories are as follows:

(₹ in Lakh as at March 31, 2019)

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments					
- Equity Instruments	-	-	67.64	67.64	67.64
- Government securities	-	-	0.01	0.01	0.01
- Other non current investment	-	-	0.53	0.53	0.53
Cash & Cash Equivalents	2,889.66	-	-	2,889.66	2,889.66
Bank Balances other than cash and cash equivalents	37,188.25	-	-	37,188.25	37,188.25
Trade Receivables	2,276.03	-	-	2,276.03	2,276.03
Loans	9,074.54	-	-	9,074.54	9,074.54
Other Financial Assets	9,116.55	-	-	9,116.55	9,116.55
Liabilities:					
Trade Payables	17,162.52	-	-	17,162.52	17,162.52
Borrowings	27,066.70	-	-	27,066.70	27,066.70
Other Financial Liabilities	69,987.51	-	-	69,987.51	69,987.51

B. Fair Value Hierarchy

All the financial assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy described as follows:

- **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- **Level 2** - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and liabilities measured at fair value:

(₹ in Lakh as at March 31, 2020)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs
Financial Assets					
Investment in Equity Instruments - Quoted	16.24	-	-	16.24	Market Price
Investment in Equity Instruments - Unquoted	-	-	28.04	28.04	Cost less impairment provision adopted as best estimated of Fair Value
Investments in Government Securities - Unquoted	-	-	0.01	0.01	Cost less impairment provision adopted as best estimated of Fair Value
Others Investments	-	-	0.53	0.53	Cost adopted as best estimated of Fair Value
Total	16.24	-	28.58	44.82	

The following table present fair value hierarchy of financial assets and liabilities measured at fair value

(₹ in Lakh as at March 31, 2019)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs
Financial Assets					
Investment in Equity Instruments - Quoted	39.60	-	-	39.60	Market Price
Investment in Equity Instruments - Unquoted	-	-	28.03	28.03	Cost less impairment provision adopted as best estimated of Fair Value
Investments in Government Securities - Unquoted	-	-	0.01	0.01	Cost less impairment provision adopted as best estimated of Fair Value
Others Investments	-	-	0.53	0.53	Cost adopted as best estimate of fair value
Total	39.60	-	28.57	68.17	

Financial assets and liabilities which are measured at amortized cost for which fair values are disclosed

(₹ in Lakh as at March 31, 2020)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Trade Receivable			1,292.36	1,292.36
Loans	-	-	10,633.99	10,633.99
Other financial assets	-	-	7,268.64	7,268.64
Total financial assets	-	-	19,194.99	19,194.99
Financial Liabilities				
Trade Payables	-	-	20,720.56	20,720.56
Borrowings	-	-	27,073.59	27,073.59
Other financial liabilities	-	-	75,136.97	75,136.97
Total financial liabilities	-	-	122,931.12	122,931.12

Financial assets and liabilities which are measured at amortized cost for which fair values are disclosed

(₹ in Lakh as at March 31, 2019)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Trade Receivable	-	-	2,276.03	2,276.03
Loans	-	-	9,074.54	9,074.54
Other financial assets	-	-	9,116.55	9,116.55
Total financial assets	-	-	20,467.12	20,467.12
Financial Liabilities				
Trade Payable	-	-	17,162.52	17,162.52
Borrowings	-	-	27,066.70	27,066.70
Other financial liabilities	-	-	69,987.51	69,987.51
Total financial liabilities	-	-	114,216.73	114,216.73

The effect of measurement of financial instruments for which fair value has been obtained using significant unobservable inputs (Level 3) is ₹ 21.78 Lakh on Statement of profit and loss and effect on other comprehensive income is Nil during financial year 2018-19 (Previous year 8.11 Lakh on Statement of profit and loss and Nil on Other Comprehensive Income).

C. Financial risk management

Financial risk factors

The company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the

following paragraphs.

Trade Receivables

The company has outstanding trade receivables (net of impairment) amounting to ₹ 1,292.36 lakh, and ₹ 2,276.03 lakh, as of March 31, 2020, and March 31, 2019 respectively. Trade receivables are generally unsecured and are derived from revenue earned from customers.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available credit risk factors such as the Company's historical experience for customers.

Credit risk exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

(₹ in Lakh)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Gross	Impairment	Gross	Impairment
Not past due	45.02	-	28.61	-
Past due less than three months	175.03	-	376.30	-
Past due more than three months but not more than six months	14.35	-	149.86	-
Past due more than six months but not more than one year	557.71	-	1,240.07	-
More than one year	2,892.62	2,392.37	2,855.95	2,374.76
Total	3,684.73	2,392.37	4,650.79	2,374.76

Generally trade receivables are impaired after three years when recoverability is considered doubtful based on the Company Trend except in such cases as decided by management as and when required. The Company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality. (Not past due are the amounts which are yet to be received and is receivable as due date of invoice has not arrived. In case there is no credit period the date of invoice is the due date.)

Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible since our counterparties are banks which are majorly owned by Government of India and are have oversight of Reserve Bank of India. We consider the credit quality of term deposits with such banks to be good, and we review these banking relationships on an ongoing basis. We consider all the financial assets as at the reporting dates to be of good credit quality.

b) Liquidity Risk

Our liquidity needs are monitored on the basis of yearly projections. The company's principal sources of liquidity are cash and cash equivalents and cash generated from operations.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of Trade payables, expense payables, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the earliest date on which the company can be required to pay the financial liabilities. The table includes both principal & interest cash flows.

(₹ in Lakh as at March 31, 2020)

Particulars	Upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years	Total
Trade Payables	20,637.49	83.07				20,720.56
Borrowings	27,073.59	-	-			27,073.59
Other Financial Liabilities	68,441.20	6,652.92	39.59	1.96	1.30	75,136.97
Total	116,152.28	6,735.99	39.59	1.96	1.30	122,931.12

(₹ in Lakh as at March 31, 2019)

Particulars	Upto 6 months	More than 6 months upto 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years	Total
Trade Payables	17,098.70	63.82	-	-	-	17,162.52
Borrowings	27,066.70	-	-	-	-	27,066.70
Other Financial Liabilities	62,982.06	6,972.32	33.13	-	-	69,987.51
Total	107,147.46	7,036.14	33.13	-	-	114,216.73

34.04 Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"

During the year, an amount of ₹ 4.47 Lakh (Previous year of ₹ 60.15 Lakh) on account of exchange differences (net) credited to the Statement of Profit & Loss.

34.05 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of Assets"

During the year, NTC assessed the impairment loss of assets and has disclosed impairment loss (if any) on the assets with under the head of respective asset in the financial statements.

34.06 Disclosure in respect of Indian Accounting Standard (Ind AS)- 19 "Employee Benefit Expenses"

A. General description of various defined employee's benefits schemes are as under:

(i) Provident Fund:

The Company's contribution paid/payable during the year to Provident Fund Trust/ Regional Provident Fund and the liability is recognized on accrual basis. The Company's Provident Fund Trusts are exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trusts vis-à-vis statutory rate. The company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment.

The following table sets out the status of assets and liabilities of the provident fund trust as per actuarial valuation:

Valuation Assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Approach for Valuation	Deterministic Approach	
Discount rate	6.84%	7.54%
Guaranteed Rate of Interest	8.50%	8.65%
Reinvestment Period on Maturity	5 Years	5 Years
Weighted Average Yield	8.21%	8.42%
Weighted Average YTM	8.51%	8.77%
Total Number of Employees	655	699
Average Age	44.48 Years	44.51 Years
Average Past Service	13.93 Years	14.13 Years
Average Expected Working Lifetime	11 Years	11 Years
Attrition Rate	2.00% p.a. for all members	
Whilst In service Withdrawal	5.00% p.a. for all members	
Mortality rate during Employment	Indian Assured Lives Mortality Rate (2006-2008)	

Valuation Data Summary**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Provident Fund Corpus/ Obligation	4,326.28	4,331.05
Total Provident Fund Assets (Book Value)	4,582.85	4,647.69
Net Defined (Assets)/Liabilities	(256.57)	(316.64)

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 256.57 Lakh (previous year ₹ 316.64 Lakh). Accordingly, Company has not recognised the surplus as an asset, as these pertain to the Provident Fund Trust and not to the Company.

(ii) Gratuity

Gratuity is paid to all employees on retirement/separation based on the number of years of service. The disclosure of information as required under Ind AS-19 has been made in accordance with the actuarial valuation.

(iii) Sick Leave:

The liability on this account is recognized on the basis of actuarial valuation.

(iv) Leave Encashment:

Payable on separation to eligible employees who have accumulated earned leave. Encashment of accumulated earned leave is also allowed during service to eligible employees. The liability on this account is recognized on the basis of actuarial valuation.

(v) LTC:

Provided to eligible employees for the sanctioned tours during employment as per the Companies Policy. The liability on this account is recognized on the basis of actuarial valuation.

(vi) Terminal Benefits:

Provided to the employees after retirement and may also include relocation expenses if the employee was out stationed from his place of residence. The liability on this account is recognized on the basis of actuarial valuation.

B. Movement in actuarial provisions is disclosed in **Annexure I**. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance Sheet & other disclosures are as under:

(i) Actuarial Assumption:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Method used	Projected Unit Credit Method	
Discount rate	6.87%	7.76%
Rate of salary increase	5.50%	5.50%
Rate of Employee Turnover	2.00%	2.00%
Mortality rate during Employment	Indian Assured Lives Mortality Rate (2006-2008)	

(ii) Other Details:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
No of Active Members	8,589	9,135
Per Month Salary For Active Members (In Lakh)	1,393.73	1,447.06
Weighted Average Duration of the Projected Benefit Obligation	7.00	6.00
Average Expected Future Service	13.00	13.00
Projected Benefit Obligation (₹ in Lakh)	11,009.15	11,098.36
Prescribed Contribution For Next Year (12 Months)	-	-

(iii) Change in Present Value of Projected Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Present value of obligations as at beginning of year	11,098.36	11,858.37
Interest cost	861.23	922.58
Current Service Cost	558.35	558.66
Benefits paid	(1,841.02)	(1,791.83)
Past Service Cost		-
Actuarial (gain)/loss on Obligations due to change in financial assumption	509.98	10.75
Actuarial (gain)/loss on Obligations due to experience	(177.75)	(460.17)
Present value of obligations as at end of year	11,009.15	11,098.36

(IV) Net Interest Cost for the period**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Present Value of Benefit Obligation at the beginning of the period	11,098.36	11,858.37
Fair Value of Plan Assets at the beginning of the Period	-	-
Net Liability/(Assets) at the beginning	11,098.36	11,858.37
Interest Cost	861.23	922.58
Net Interest Cost for the Current Period	861.23	922.58

(V) The amounts recognized in the balance sheet**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Present value of obligations as at the end of year	(11,009.15)	(11,098.36)
Fair value of plan assets as at the end of the year	-	-
Funded status - Surplus/(Deficit)	(11,009.15)	(11,098.36)
Net Asset/(liability) recognized in balance sheet	(11,009.15)	(11,098.36)

(VI) Expenses Recognized in Statement of Profit and Loss**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Current Service Cost	558.35	558.66
Interest cost	861.23	922.58
Expenses Recognised	1,419.58	1,481.24

(VII) Amount recognized in Other Comprehensive Income (OCI)**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Actuarial (gain)/loss on Obligation for the period	332.23	(449.42)
Net (Income)/Expenses recognised for the period recognised in OCI	332.23	(449.42)

(VIII) Balance Sheet Reconciliation**(₹ in Lakh)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Opening net liability	11,098.36	11,858.37
Expenses recognised in statement of profit and loss	1,419.58	1,481.24
Expenses recognised in Other comprehensive Income	332.23	(449.42)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Net liability/ (Assets) Transfer In	-	-
Net liability/ (Assets) Transfer out	-	-
Benefit paid directly by the employer	(1,841.02)	(1,791.83)
Net liability/ (assets) recognised in Balance Sheet	11,009.15	11,098.36

(IX) Sensitivity Analysis

(₹ in Lakh)

Assumption	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
Projected Benefit Obligation on Current Assumptions	11,009.15	11,098.36
Delta Effect of +0.50% change in Discounting	(294.84)	(260.18)
Delta Effect of -0.50% change in Discounting	314.94	278.67
Delta Effect of +0.50% change in rate of Salary Increase	317.62	283.47
Delta Effect of -0.50% change in rate of Salary Increase	(299.89)	(266.79)
Delta Effect of +0.50% change in rate in Rate of Employee Turnover	31.03	48.85
Delta Effect of -0.50% change in rate in Rate of Employee Turnover	(35.44)	(52.18)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(x) Expected Benefit Payments

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Gratuity	
First following year	2,566.05	2,854.98
Second following year	1,012.58	1,093.57
Third following year	1,362.62	1,514.11
Fourth following year	1,185.14	1,238.34
Fifth following year	967.73	1,108.59
Sum of 6 to 10 years	3,602.45	3,591.55

Gratuity is payable as per company's scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above for foreseeable future of next 10 years

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

(xi) Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity."

Para 139 (b) Risks associated with defined benefit plan.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Para 139 (c) Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Para 147 (a)

Gratuity plan is unfunded.

(xii) Movement in provisions

(a) Gratuity

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	11,098.36	11,904.78
(-) Payment during the year	1,841.01	1,838.24
(+/-) Created/(Written back)	1,751.80	1,031.82
Balance at the end of the year	11,009.15	11,098.36

(b) Leave Salary/ Wages

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	1,835.86	2,098.45
(-) Payment during the year	605.26	693.39
(+/-) Created/(Written back)	471.15	430.80
Balance at the end of the year	1,701.75	1,835.86

(c) Sick Leave

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	445.65	958.85
(-) Aailed/Adjusted during the year	36.53	15.53
(+/-) Created/(Written back)	(81.46)	(497.67)
Balance at the end of the year	327.66	445.65

(d) LTC

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	54.05	54.53
(-) Payment during the year	37.56	51.23
(+/-) Created/(Written back)	29.17	50.75
Balance at the end of the year	45.66	54.05

(e) Terminal Benefit

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	68.13	66.86
(-) Payment during the year	6.18	9.46
(+/-) Created/(Written back)	4.35	10.73
Balance at the end of the year	66.30	68.13

34.07 Disclosure in respect of Indian Accounting standard (In AS)-108: “Operating Segments”

Based on the “management approach” as defined in In AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies. The Company has identified two primary business segments i.e. Yarn & Cloth.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The revenue/expenses which are not directly relatable to the Business Segments are shown as unallocated revenue/expenses. Assets & Liabilities that cannot be allocated between the segments are shown as unallocated Assets & Liabilities respectively.

a) Segment Revenue and Expense

Details regarding revenue and expenses attributable to each segment

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and others are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

Segment revenues and results

(₹ in Lakh for the year ended March 31, 2020)

Particulars	Cloth	Yarn	Others*	Sub total	Unallocated**	Total
REVENUE						
External Sales	6,587.94	75,206.83	797.33	82,592.10	-	82,592.10
Other operating revenue	152.45	2,246.81	50.26	2,449.52	-	2,449.52
Revenue from operations	6,740.39	77,453.64	847.59	85,041.62	-	85,041.62
Other income	-	-	-	-	4,968.57	4,968.57
Total Revenue	6,740.39	77,453.64	847.59	85,041.62	4,968.57	90,010.19
Total Revenue from each segment as a percentage of total revenue of all segment	7.49	86.05	0.94	94.48	5.52	100.00
EXPENSES						
Segment expenses	(6,690.62)	(106,016.13)	(2,868.40)	(115,575.15)	(3,740.42)	(119,315.57)
Results Before Inter-Segment Transfers	49.77	(28,562.49)	(2,020.81)	(30,533.53)	1,228.15	(29,305.38)
Inter segment transfer	(2,987.22)	3,840.40	(861.42)	(8.24)	8.24	-
RESULTS						
Segments results (Profit/(loss))	(2,937.45)	(24,722.09)	(2,882.23)	(30,541.77)	1,236.39	(29,305.38)
Interest expenses (external)	-	(53.17)	-	(53.17)	(5,898.12)	(5,951.29)
Provision made		(12.32)		(12.32)	(11.17)	(23.49)
Profit/(loss) before Share in profit/(loss) of entities accounted using Equity Method	(2,937.45)	(24,787.58)	(2,882.23)	(30,607.26)	(4,672.90)	(35,280.16)
Share in profit/(loss) of entities accounted using Equity Method	-	-	-	-	1,240.63	1,240.63
Profit/(loss) before exceptional item and tax	(2,937.45)	(24,787.58)	(2,882.23)	(30,607.26)	(3,432.27)	(34,039.53)
Exceptional items	-	(10.19)	-	(10.19)	(28.03)	(38.22)
Net Profit/(loss)	(2,937.45)	(24,797.77)	(2,882.23)	(30,617.45)	(3,460.30)	(34,077.75)

(₹ in Lakh for the year ended March 31, 2019)

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
REVENUE						
External Sales	13,734.43	89,917.93	1,220.19	104,872.55	-	104,872.55
Other operating revenue		3,312.17		3,312.17	-	3,312.17
Revenue from operations	13,734.43	93,230.10	1,220.19	108,184.72	-	108,184.72
Other income	-		-	-	5,363.33	5,363.33
Total Revenue	13,734.43	93,230.10	1,220.19	108,184.72	5,363.33	113,548.05
Total Revenue from each segment as a percentage of total revenue of all segment	12.10	82.11	1.07	95.28	4.72	100.00

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
EXPENSES						
Segment expenses	(11,409.61)	(117,615.30)	(2,171.94)	(131,196.85)	(8,550.07)	(139,746.92)
Results Before Inter-Segment Transfers	2,324.82	(24,385.20)	(951.75)	(23,012.13)	(3,186.74)	(26,198.87)
Inter segment transfer	(8,580.12)	(2,230.54)	(327.71)	(11,138.37)	11,138.37	-
RESULTS						
Segments results Profit/(loss)	(6,255.31)	(26,615.73)	(1,279.46)	(34,150.50)	7,951.63	(26,198.87)
Interest expenses (external)	-	-	-	-	(5,778.68)	(5,778.68)
Profit/(loss) before Share in profit/(loss) of entities accounted using Equity Method	(6,255.31)	(26,615.73)	(1,279.46)	(34,150.50)	2,172.95	(31,977.55)
Share in profit/(loss) of entities accounted using Equity Method	-	-	-	-	1,004.32	1,004.32
Profit/(loss) before exceptional item and tax	(6,255.31)	(26,615.73)	(1,279.46)	(34,150.50)	3,177.27	(30,973.23)
Exceptional items	-	-	-	-	(133.80)	(133.80)
Tax expenses	-	-	-	-	-	-
Net Profit/(loss)	(6,255.31)	(26,615.73)	(1,279.46)	(34,150.50)	3,043.47	(31,107.03)

b) Segment assets and liabilities

(₹ in Lakh for the year ended March 31, 2020)

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
SEGMENT ASSETS						
Segment assets	13,415.08	71,963.30	3,057.75	88,436.13	238,922.33	327,358.46
Total Assets	13,415.08	71,963.30	3,057.75	88,436.13	238,922.33	327,358.46
SEGMENT LIABILITIES						
Segment liabilities	4,714.24	91,063.56	1,425.62	97,203.42	230,155.04	327,358.46
Total Liabilities	4,714.24	91,063.56	1,425.62	97,203.42	230,155.04	327,358.46

(₹ in Lakh for the year ended March 31, 2019)

Particulars	Cloth	Yarn	Others	Sub total	Unallocated	Total
SEGMENT ASSETS						
Segment assets	14,742.99	93,405.58	3,016.39	111,164.96	242,858.38	354,023.34
Total Assets	14,742.99	93,405.58	3,016.39	111,164.96	242,858.38	354,023.34
SEGMENT LIABILITIES						
Segment Liabilities	11,625.93	88,563.33	1,496.10	101,685.36	252,337.98	354,023.34
Total Liabilities	11,625.93	88,563.33	1,496.10	101,685.36	252,337.98	354,023.34

*Segment "Other" represents the income, results, expenses, assets, liability of Marketing Divisions

** "Unallocated" represents the income, results, expenses, assets, liability of Closed Mills, Regional Offices

c) Information about major customers

During the current year as well as previous year, the company do not have any major customer having transactions more than 10% revenue of the company.

34.08 Disclosure in respect of Indian Accounting Standard (Ind AS)-24 “Related Parties Disclosures”**A Disclosure for Other than Govt. Related Entities****a) Subsidiary/Joint Ventures****(₹ in Lakh)**

S. No.	Name of subsidiary/Joint Ventures	Relationship	% of shareholding
1	Aurangabad Textiles & Apparel Parks Ltd.	Joint Venture*	51
2	New City of Bombay Mfg. Mills Ltd.	Joint Venture*	51
3	Apollo Design Apparel Parks Ltd.	Joint Venture*	51
4	Goldmohur Design & Apparel Parks Ltd.	Joint Venture*	51
5	India United Textiles Mills Ltd.	Joint Venture*	51
6	Swadeshi Mining & Manufacturing Limited	Subsidiary	97.91

* In the financial statements for FY 2018-19, these companies were disclosed as Subsidiaries Companies, however considering opinion of Expert Advisory Committee of ICAI, the same has been disclosed as Joint Venture Companies in financial statements of FY 2019-20. The above change do not have any impact upon the accounting of investment in Standalone financial statements.

b) Associates

S.No.	Name of associate	% of shareholding
1	Swadeshi Polytex Limited	33.63

c) List of Key Management Personnel and Directors

S.No.	Name	Designation
1	Sh. Nihar Ranjan Dash	Chairman & Managing Director (w.e.f. 09.04.2019)
2	Sh. R. K. Sinha	Director - Human Resource (Date of cessation - 15.05.2019)
3	Sh. Ashutosh Gupta	Director-Human Resource(w.e.f 12.01.2021)
4	Dr. Anil Gupta	Director - Finance (upto 28.11.2019)
5	Dr. Subhash Chandra Pandey	Govt. Nominee Director (upto 14.06.2019)
6	Smt. Aditi Das Rout	Govt. Nominee Director (upto 14.06.2019)
7	Sh. Prem Kumar Kataria	Govt. Nominee Director (w.e.f. 14.06.2019)
8	Sh. Vijoy Kumar Singh	Govt. Nominee Director (w.e.f. 14.06.2019)
9	Sh. Anil B. Joshi	Independent Director (Upto 29.01.2020)
10	Smt. Anita Agarwal	Independent Director (Upto 29.01.2020)
11	Sh. Devendra Daga	Independent Director (Upto 29.01.2020)
12	Smt. Bindu Sharma	Director - Finance (w.e.f. December 01, 2019 to July 21, 2020)
13	Sh. Inderpal Singh Sandhu	Director - Finance (w.e.f. October 16, 2020)
14	Sh. Pankaj Agarwal	Company Secretary

d) Government and its related entities

- Government of India - holds 99.76% of equity shares of the company and exercise control over the company.
- Central Public Sector Enterprises (CPSEs) in which Government of India exercise control.

e) Compensation of Key Management Personnel and Directors

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term benefits	53.79	82.68
Post-employment benefits	6.94	1.80
Other long-term benefits	1.49	8.47
Sitting fees to Independent Directors	6.96	5.76
Total	69.18	98.71

f) Loans to Subsidiary

Particulars	Swadeshi Mining & Manufacturing Limited	
	March 31, 2020	March 31, 2019
Loans at beginning of the year	1,111.75	1,111.75
Balance at end of the year including interest	1,111.75	1,111.75
Provision for bad and doubtful debts	(1,111.75)	(1,111.75)

g) Disclosure for transactions entered with Govt. and Govt. Entities

(₹ in Lakh for the year ended March 31, 2020)

S. No.	Name of Govt/ Govt. Entities	Nature of relationship with the company	Nature of transaction	Amount	Outstanding Balances	
					Receivable	Payable
1	Govt. of India	Majority owner	Interest on loan	4,683.75	-	80,751.28
			Sales	621.52	176.35	0.69
2	Cotton Corporation of India	Related through GOI	Interest Expense	721.89	-	5,039.11
			Purchase	15,594.55		
			Sales	0.49	-	-
3	Other CPSEs	Related through GOI	Sales	263.91	225.28	-
			Purchase	31.05	0.05	0.40
			Rental Income	67.82	-	-

(₹ in Lakh for the year ended March 31, 2019)

S. No.	Name of Govt/ Govt. Entities	Nature of relationship with the company	Nature of transaction	Amount	Outstanding Balances	
					Receivable	Payable
1	Govt. of India	Majority owner	Interest on loan	4,683.75	-	76,067.53
			Sales	72.97	3.33	-
2	Cotton Corporation of India	Related through GOI	Interest Expense	771.93	-	7,094.61
			Purchase	29,885.66		
3	Other CPSEs	Related through GOI	Sales	414.05	366.25	-
			Purchase	121.18	-	3.26
			Rental Income	476.55	164.93	-

*The transactions entered with related parties are on arms length price.

h) Transactions with Related Parties

(₹ in Lakh)

Particulars	Apollo Design App Parks Ltd		Goldmohur Design & App Parks Ltd		Aurangabad Textiles & App. Parks Ltd.		New city of Bombay Mfg. Mills Ltd.		India United Textiles Mills Ltd.		Swadeshi Mining & Mfg. Co. Ltd.	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Dividend received	158.48	158.48	164.09	164.09	-	-	-	-	340.34	324.13	-	-
Rent received/receivable	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	-	-
Other transactions - Sales	-	21.17	-	19.89	-	-	-	-	-	27.14	-	-
Other transactions - Interest earned on behalf of subsidiary	-	-	-	-	-	-	-	-	-	-	-	5.64
Other transactions - Expenses reimbursable from subsidiary	0.07	0.12	0.07	0.12	0.03	0.12	0.03	0.12	0.03	0.12	186.39	5.76

i) Outstanding balances

(₹ in Lakh)

Particulars	"Apollo Design App Parks Ltd"		Goldmohur Design & App Parks Ltd		Aurangabad Textiles & App. Parks Ltd.		New city of Bombay Mfg. Mills Ltd.		India United Textiles Mills Ltd.		Swadeshi Mining & Mfg. Co. Ltd.	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Trade Payables	-	-	-	-	-	-	218.18	218.18	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-	-	-	8.42	194.82
Other Receivables	-	0.12	91.90	91.93	-	0.03	8.42	8.39	-	0.12	61.64	61.64

j) **Related Party Transactions of Joint Ventures**

1. **Aurangabad Textiles and Apparel Parks Limited**

a) **Key Management Personnel**

Name	Designation
Shri Bimal Thakkar	Director
Shri Dhruva Das Mall	Chief Executive Officer

2. **Apollo Design Apparel Park Limited**

a) **Key Management Personnel**

Name	Designation
Shri Nihar Ranjan Dash	Chairman (from 22nd July 2019)
Shri Rakesh Kumar Sinha	Director (upto 14th May 2019)
Dr. Anil Gupta	Director (upto 28th November 2019)
Ms. Bindu Sharma	Director (from 17th March 2020)
Shri Shamsher Bahadur Singh Kathpal	Director (upto 31st January 2020)
Shri Sukumar Arunachalam	Director
Shri Pankaj Agarwal	Director (from 17th March 2020)
Shri Manoj Kumar K.G.	Director (from 22nd July 2019)
Shri Sunil Biyani	Director
Shri Anil Cherian	Director
Ms. Lynette Robert Monteiro	Director
Shri Mukesh Kumar Bhandari	Chief Executive Officer

b) **Transactions with key management personnel:** (₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and other employee benefits*	29.22	23.24

c) **Transactions with other related parties** (₹ in Lakh)

Particulars	Future Enterprises Limited (Strategic Partner)		SBPL Infrastructure Limited (Strategic Partner)		Sri Navdurga Processors Pvt. Ltd. (Strategic Partner)		Goldmohur Design And Apparel Park Ltd (Fellow Subsidiary)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Sale of goods and services	23,187.79	18,079.16	-	-	-	-	2.40	-
Purchase of raw material/goods and services	7.28	8.19	-	-	-	-	3.57	75.98
Interest Received	203.35	127.88	-	-	-	-	-	-
Dividend paid	121.19	121.19	27.97	27.97	3.11	3.11	-	-
Expenses paid by Goldmohur Design & Apparel Park Ltd. on behalf of Apollo Design Apparel Parks Ltd.	-	-	-	-	-	-	-	5.94
Expenses paid by Apollo Design Apparel Parks Ltd on behalf of Goldmohur Design & Apparel Park Ltd	-	-	-	-	-	-	29.22	17.30
Outstanding receivable	9,324.59	9,438.13	-	-	-	-	31.70	-
Outstanding Payable	0.49	0.09	-	-	-	-	1.99	66.75

3. Goldmohur Design And Apparel Park Limited

a) Key Management Personnel

Name	Designation
Shri Nihar Ranjan Dash	Chairman (from 22nd July 2019)
Shri Rakesh Kumar Sinha	Director (upto 14th May 2019)
Dr. Anil Gupta	Director (upto 28th November 2019)
Ms. Bindu Sharma	Director (from 17th March 2020)
Shri Shamsheer Bahadur Singh Kathpal	Director (upto 31st January 2020)
Shri Sukumar Arunachalam	Director
Shri Pankaj Agarwal	Director (from 17th March 2020)
Shri Manoj Kumar K.G.	Director (from 22nd July 2019)
Shri Sunil Biyani	Director
Shri Sanjay Rathi	Director
Shri Anil Cherian	Director
Shri Mukesh Kumar Bhandari	Chief Executive Officer

b) Transactions with key management personnel:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and other employee benefits*	29.22	23.24

c) Transactions with other related parties

(₹ in Lakh)

Particulars	Future Enterprises Limited (Strategic Partner)		SBPL Infrastructure Limited (Strategic Partner)		Sri Navdurga Processors Pvt. Ltd. (Strategic Partner)		Goldmohur Design And Apparel Park Ltd (Fellow Subsidiary)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Sale of goods and services	21,320.89	20,989.14	-	-	-	-	3.57	75.98
Purchase of raw material/goods and services	-	0.02	-	-	-	-	2.40	-
Interest Received	143.34	92.71	-	-	-	-	-	-
Dividend paid	125.48	125.48	28.96	28.96	3.22	3.22	-	-
Expenses paid by Goldmohur Design & Apparel Park Ltd. on behalf of Apollo Design Apparel Parks Ltd.	-	-	-	-	-	-	-	5.94
Expenses paid by Apollo Design Apparel Parks Ltd on behalf of Goldmohur Design & Apparel Park Ltd	-	-	-	-	-	-	29.22	17.30
Outstanding receivable	8,356.09	11,593.90	-	-	-	-	1.99	66.75
Outstanding Payable	-	-	-	-	-	-	31.70	-

4. New City of Bombay Mfg Mills Limited

a) Key Management Personnel

Name	Designation
Nihar Ranjan Dash	Director (w.e.f. 22.07.2019)
R K Sinha	Director (upto 15.05.2019)
Bindu Sharma	Director (w.e.f. 17.03.2020)
Pankaj Agrawal	Director (w.e.f. 17.03.2020)
Manoj K G	Director (w.e.f. 22.07.2019)
Dr. Anil Gupta	Director (upto 29.11.2019)
Sukumar Arunachalam	Director
S. B. Singh	Director (upto 31.01.2020)
Bimal Thakkar	Director
Shivprasad Sharma	Director
Dhruv Das Mall	CEO
Vinod K Sharma	Company Secretary

b) Transactions with key management personnel:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and other employee benefits*	16.71	16.32

5. India United Textile Mill Limited

a) Key Management Personnel

Name	Designation
Vijay Khetawat	Chief Executive Officer
Vijay Patel	Company Secretary (upto 31.08.2019)
Shamsher Bahdur Singh	Director (upto 31.01.2020)
Manoj Kumar K.G.	Director (w.e.f.22.07.2019)
Jagdish Sharma	Director (w.e.f. 22.11.2019)
R K Sinha	Director (upto 15.05.2019)
Dr. Anil Gupta	Director (upto 29.11.2019)
Sukumar Arunachalam	Director
Manoj Baheti	Director
Navin Kumar Gupta	Director
Bindu Sharma	Director
Nihar Ranjan Dash	Director (w.e.f.22.07.2019)

b) Transactions with key management personnel:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and other employee benefits*	28.16	47.74
Terminal benefits	0.63	8.78

c) Transactions with other related parties

(₹ in Lakh)

Particulars	Bhaskar Industries Pvt Ltd (Shareholder)		Decent Industries Pvt Ltd (Shareholder)		Writer & Publishers Pvt Ltd (Group Company)		Decore Exxoils P Ltd (Group Company)		Stitex Global Ltd (Group Company)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Sale of goods and services	251.44	-	-	-	-	5,911.28	-	3,529.88	-	3,542.39
Purchase of raw material/goods and services	4,840.07	1,872.29	-	-	-	-	-	-	-	-
Dividend paid	196.19	186.85	130.80	124.57	-	-	-	-	-	-
Outstanding receivable	-	-	-	-	633.44	1,169.44	417.17	417.17	-	-
Outstanding Payable	1,381.81	1,659.67	-	-	-	-	-	-	-	-

(₹ in Lakh)

Particulars	Bhaskar Exim Ltd (Group Company)		D B Consolidated Pvt Ltd (Group Company)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Sale of goods and services	-	-	-	2,960.30
Purchase of raw material/goods and services	-	14,245.79	-	-
Interest on Advance against supply	1,435.64	-	-	-
Interest Receivable on advances	1,292.08	-	-	-
Outstanding receivable	11,161.96	11,114.48	537.48	1,491.85

34.09 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share (EPS)”
a) Basic & Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted EPS and basic & diluted EPS is as follows:-

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit /(loss) for the year, attributable to the owners of the company (In ₹ Lakh)	(34,077.75)	(31,107.03)
Weighted average number of ordinary shares for the purpose of basic earnings per share	30,621,601	30,621,601
Basic & Diluted EPS (Amount in ₹)	(111.29)	(101.59)

34.10 Dues to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2020	As at March 31, 2019
a) Principal amount remaining unpaid	850.86	501.42
b) the interest due on above principal amount remaining unpaid	4.32	1.44
c) The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-

Particulars	As at March 31, 2020	As at March 31, 2019
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

34.11 Discontinued Operations

The company is continuing all activities of operation and hence in the opinion of management Ind AS -105 related to Discontinued Operation is not applicable.

34.12 Assets held for Sale

During the financial year 2016-17, Transferable Development Right (TDR) of value ₹ 1413.48 crore received from Government of Maharashtra in consideration of handing over of land admeasuring 48415 sq. mtrs. (approx.) of India United Mill No. 6 to Mumbai Metropolitan Region Development Authority (MMRDA) for construction of grand memorial of Bharat Ratna Dr. Baba Saheb Ambedkar and the said TDR was classified as "Assets Held for Sale" as the corporation's intention was to sell the same during 2017-18. The same could not be disposed off in preivous years on account of involvement of issues like nomination of state government representative in proposed sale committee, selection of sales consultant, preparation of bid documents etc. During the previous years, corporation has initiated the process by constituting a sale committee with state government representative and prepared a draft tender document for appointment of consultant.

However, the Board of NTC in its 381st meeting held on 09/08/2018 resolved that since the amount of consideration to be receive by NTC from sale of TDR is fixed therefore, Ministry of Textile requested to take up the issue with Government of Maharashtra for sale of TDR at their end . The same was informed by NTC to the Joint Secretary, the Trade Advisor, MOT vide letter no. NTC/AM/2018 dated 01/10/2018.

Minister of Textiles, Government of India vide DO letter dated 26/07/2019 conveyed to the Chief Minister of Maharashtra to issue immeadite directions to the department concernred to facilititate the sale of TDRs through its own agencies as per prescribed procedure in time bound manner.

The management of NTC remains committed in its decision to sale the TDR by observing all possible formalities and as the delay in sale of TDR is caused by events/circumstances beyond the control of NTC and as such asset is available for immediate sale in its present condition and having its readily available market for sale, therefore same is being continued as "Assets Held for Sale" during 2019-20 in line with Ind-AS 105.

The expenses on realisation of TDR (if any) will be accounted as and when incurred.

"During the previous years, old worn out items of plant & machinery, furniture & fixtures and equipment etc. of net carrying value of ₹ 351.07 Lakh which were identified by the company for disposal and accordingly classified as ""Asset held for sale"" as per Ind AS 105. During the financial year 2019-20, the company made its best efforts to sell these assets. All the required formalities had been done by the company to process sale of these assets. However, during this process MoT directed the company to get the valuation done for all its properties through NBCC. The company will go for sale of

these assets soon after completion of the valuation process that is expected to be completed within a short period of time. These situations were not expected to occur at the time of classification of assets held for sale and were also beyond the control of the company. The sale of these assets is highly probable during the year 2020-21. Accordingly, these assets have been classified under "Assets Held for Sale" in the financial statements for Financial Year 2019-20."

**Refer Note No.16*

34.13 Standards issued but not yet effective

Companies (Indian Accounting Standards) Amendment Rules 2020 notified on 24 July 2020 has notified the changes to Ind AS that shall be effective from 1 April 2020 except in case of the amendment to Ind AS 116, Leases, which is applicable to the company in the current year also. Given below is given an explanation of significant amendments and their possible impact on the assets, liabilities and results:

- a) **Ind AS 103, Business Combinations:** The definition of business has been revised and further guidance has been provided in identifying whether the set of assets and liabilities acquired is a business. These changes are applicable for business combinations occurring on or after 1 April 2020. Therefore, on initial application of these amendments there shall be no impact on the financial statements of the company.
- b) **Ind AS 107, Financial Instruments:** Disclosures have been specified for an entity that applies the exceptions to hedge accounting requirements due to interest rate benchmark reform stated in Ind AS 109, Financial Instruments. As the company has not applied hedge accounting, the amendments notified do not have any impact on the entity's financial statements on initial application.
- c) **Ind AS 109, Financial Instruments:** The amendments to Ind AS 109 address the need to ensure that hedging relationships do not get discontinued because of interest rate benchmark reform. It provides that the hedge relationship shall not be discontinued simply because of the reform. As the company has not designated any derivative as hedge instrument, the amendments do not have any impact on the financial statements of the company due to initial application.
- d) **Ind AS 116, Leases:** The amendments have provided practical expedient from accounting for modification of lease as a direct consequence of COVID-19 pandemic and only if all the following conditions are met:
 - (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - (ii) any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and
 - (iii) there is no substantive change to other terms and conditions of the lease There has not been any material changes to the payments or receipts under leases as a direct consequence of COVID-19 for the company. Therefore, the said amendments though effective for the company from 1 April 2019 do no have any impact on the financial statements for the year ended on 31 March 2020.
- e) **Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors:** The notification has amended the definition of material as under:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

This amendment provides guidance on application of the revised definition and when can it be considered that a material information is being obscured as under:

- (i) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- (ii) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- (iii) dissimilar items, transactions or other events are inappropriately aggregated;
- (iv) similar items, transactions or other events are inappropriately disaggregated; and
- (v) the understand ability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

The revised definition is applicable for transactions, events or conditions occurring on or after 1 April 2020. However, the company has always tested its disclosures from the perspective of making the financial statements understandable to users with proper cross-references such any note can be linked to the amount presented in Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows or Statement of Changes in Equity, as may be applicable. Therefore, the revision to the definition of material has no impact on the financial statements of the company due to its initial application.

- f) Ind AS 10, Events after the Reporting Period: The amendments clarify that the financial statements to which the non-adjusting events are material, provide financial information about a specific reporting entity. The reporting entity concept is defined in the Conceptual Framework for financial reporting issued by the International Accounting Standards Board which is under formulation in India. This amendment has no impact on the financial statements for the year ended 31 March 2020 due to its initial application.
- g) Ind AS 34, Interim Financial Reporting: The amendments are consequential to the amendments in Ind AS 1 and Ind AS 8 revising the definition of material. Since the company is not liable to for Interim financial reportins, the amendment is not applicable.
- h) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets: The amendments are consequential to the amendments in Ind AS 10 stated above and thus have no impact on the financial statements for the financial year ended on 31 March 2020 due to their initial application.

34.14 Disclosure in respect of Indian Accounting Standard 115 “Revenue from Contract with Customers”

The company is engaged in textile industry, principally in the manufacturing and trading of yarn and cloth. Company considers that there is only one performance obligation in the contracts with customers i.e. transfer of control of goods or services, and revenue is recognized on satisfaction of the same.

In case of direct domestic sales, the control of the goods generally transfers on handing over of the goods to buyer or the transporter of buyer. In case of depot/consignment sales, transfer of control of goods is determined on the basis of accounts statement confirming sales received from depot/consignment agent, on case to case basis. Further in case of export sale, the control of the goods transfers on lading of goods on ship that is accounted for at FOB value basis.

Further, the Company do not adjust the promised amount of consideration for the effects of a significant financing component as it expects that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company reduce the promised amount of consideration for the effects of variable returns and consideration payable to customers. During the year, the Company has provided cash discount and commission on sale of goods to its customer as per its sale policy and revenue accordingly has been disclosed by netting off these items.

Further, the Company do not adjust the promised amount of consideration or provide provision/liability for the customer's right to return/refund or warranty or any similar obligation as company generally do not provide the same.

34.15 Status of Joint Venture Companies

S. No	Company Name	Strategic Partner	Current Status
1	India United Mill Ltd.	Bhaskar Ind. Pvt. Ltd.(formerly known as Bhaskar Ind. Ltd.)	The company has appointed a firm of chartered accountants to carry out the Special Audit for the financial year 2014-15, 2015-16, 2016-17 & for the period April' 17 to December'17 in respect of these subsidiary companies in the month of March'18. Special Audit report has been submitted by the Auditor in the month of May'18. The major observation of the Auditor is that the subsidiary companies are majorly involved in trading activities from their respective related parties only and there is absence of sufficient documents confirming movements of goods in respect of the same. The company has already initiated corrective action in this regard. Based on decision of NTC Board, Show cause notice issued on 27.07.2018 to Strategic Partners stating that why the appropriate actions as contemplated under Share Subscription and Shareholders Agreement (SSSA) and other agreements be not taken against them for the breaches committed by them. Reply to the same has been submitted by Strategic Partner (SP), A copy of the Showcause notice and reply thereto alongwith other various relevant documents have been submitted to Sh. Tushar Mehta, Solicitor General of India, as directed by Ministry of Textiles (MoT) on 02.03.2019, for examination and future course of action. The reply is still awaited.
2	Gold Mohur Design & Apparel Park Ltd.	Future Enterprises Ltd. (formerly Known as	
3	Apollo Design Apparel Parks Ltd.	Future Retail Ltd.)(initially known as Pantaloon Retail (India) Ltd.)	
4	New City of Mumbai Mfg. Mills Ltd.	Alok Industries Ltd.	NTC Board decided to cancel the JV arrangement on 14.09.2017. Approval of MoT awaited. However, NCLT has commenced the Corporate Insolvency resolution in terms of IBC Code 2016 against Alok Industries Limited, the Strategic Partners, in pursuance to its order dated 18.07.2017. NCLT pronounced the order on 08.03.2019, approving the resolution plan dated 12.04.2018 submitted by Reliance Industries Limited, JM Financial Asset Reconstruction Company and JM Financial Asset Reconstruction Company Limited.
5	Aurangabad Textiles & Apparel Parks Ltd.		

34.16 New City of Bombay Mfg. Mills Ltd.

- The Company's Manufacturing activity has been shut down in May, 2015 due to labour problems and has not been restarted so far. the company's Trading activity has been stopped in June, 2017 and has not been restarted so far. Though all the business activities of the company have been discontinued, management is hopeful of restarting either or both the activities shortly. The management is of the view that this is a temporary shut down and the assets in respect of this operation are intact and in complete useful condition and the company's Going Concern status is not affected.
- NTC and Strategic Partner had to formulate and implement the Capital Expenditure plan for the Company for the initial investment to undertake modernization of plant for the 2 years and for business plans for 3 years. INTAC filed a case against NTC Ltd in High Court, Mumbai seeking to declare structures in the Company premises as heritage structure.

- iii. "The Trade receivables of ₹ 90,72,87,692/- [Rupees Ninety One Crores Seventy Two Lakhs Eighty Seven Thousand Six Hundred Ninety Two Only] shown in Note No. 8 includes ₹ 88,48,08,297/- [Rupees Eighty Eight Crores Forty Eight Lakhs Eight Thousand Two Hundred Ninety Seven only] receivable from 3 parties introduced by Joint Venture Partner M/s Alok Industries Ltd. During the year there were no transactions with these parties and only ₹ 54,10,359/- [Rupees Fifty Four lakh Ten Thousand Three Hundred Fifty Nine only] were received from one of them. The management has not considered these outstanding as doubtful of recovery for the reason that the customers have not disputed the dues and have shown willingness to pay when they are able to realise dues from their customers and letter of M/s Alok Industries Ltd giving assurance for arranging to make good any amount being classified as non-recoverable from any such trading party. In our considered opinion, the facts and circumstances do indicate that, despite the fact that the parties have not disputed the dues and letter of assurance of M/s Alok Industries Ltd, the probability of ultimate realisation is not strong enough to continue to treat the dues "good for recovery" particularly the fact that the customers have themselves stated the liquidity issues faced by them and the chances of recovery being dependent on ability of customers to pay.

Moreover, M/s Alok Industries Ltd. has been undergoing the corporate resolution process in terms of the Insolvency and Bankruptcy Code 2016. Therefore, as has been pointed out by CAG vide their letter dated 7th Jan 2019, the circumstance indicate that the fulfilment of assurance given by Alok Industries Ltd seems doubtful."

- iv. the Board of Directors of the Company, vide its 49th Board Meeting dated 08-Sep-2017, has directed the CEO / CFO to recover the dues of trade receivables along with interest, however, the complete recovery has not been done, nor interest charged / provided for non recovery.

34.17 India United Textile Mills Ltd.

- i. The company has received notices from the Bruhanmumbai Municipal Corporation (BMC) , stating " manufacturing of readymade garments running with electro motive power but without having factory permit u/s 390 of MMC Act" asking the company to "Stop unauthorized activity immediately". Therefore, The Company's manufacturing facility was shut down w.e.f 31st October 2015, however company is continuing its trading activity, hence the financial statements of company have been prepared on going concern basis.
- ii. Indian National Trust for Art and Cultural Heritage (INTACH) has filed a case against the NTC Limited in High Court of Mumbai seeking to declare structures in the Company premises as heritage structure. Implementation of business plan can be undertaken only after settlement of the case.
- iii. The stamp duty liability on account of the execution of the lease deed entered by company for leasing of land (Mill Land and surplus land) along with building and structure thereon, in view of the fact that in terms of subscription and shareholders agreement, strategic partners are to bear the cost of the stamp duty as additional share premium. But the allotment of shares is completed in the financial year 2007-08 while the amount of stamp duty has been identified/arrived & confirmed by the Collector of Stamp Duty, Mumbai in the financial year 2010-11 and the same has been paid in FY 2011-12 hence the said amount received from Strategic Partners has been shown as Capital Reserve. The company has filed an application for the registration of the lease deed before the Collector of stamps, Mumbai. The Company has received a demand notice on 23.02.2011 of ₹ 17.60 Lakh on account of stamp duty payable to the Registering Authority with in 60 day from the date of issue of demand notice i.e. from 23.02.2011. The same has been paid by the company on 21.4.2011. The registration is still pending for want of execution from the lessor i.e. from the NTC Ltd. The company has made a provision for the registration fees of ₹ 0.30 Lakh in respect of the Lease Deed yet to be registered. However, the provision for the penalty for non- registration /delayed registration is not provided and will be accounted for on actual payment.

34.18 Goldmohur Design and Apparel Parks Limited

- i. Registration of lease deed for leasehold rights in term of the Lease Deed executed amongst the parties, which

is pending as on the date of this report & further pending disposal of Writ Petition before Mumbai High Court restraining to do any structural modifications on account of heritage issue in respect of buildings structures situated on leased land.

- ii. Writ petition filed by Rashtriya Mill Mazdoor Sangh before the Hon'ble High Court of Bombay against Holding Company M/s National Textile Corporation Limited (NTC) and Strategic Partners M/s Future Enterprises Limited and others wherein Rashtriya Mill Mazdoor Sangh has prayed that (a) since NTC and Strategic Partners, have failed in implementing the approved business plan the arrangement be terminated and (b) in alternative, NTC should be directed to initiate modernization / revival of the mill. In the matter, Hon'ble High Court in its order dated 11th October 2018 directed NTC to decide on show cause notice issued to strategic partners and decide on the way forward for modernization / revival of the mill and file its decision on an affidavit with the Court. The said order of the High Court is pending for compliance by NTC and the matter is yet to be decided by the Hon'ble High Court.
- iii. The Company has realized an amount ₹ 385.96 lakh out of the total book debts outstanding ₹ 12086.00 Lakh as at the end of the year and ₹ 398.83 lakh out of the total inventories of ₹ 537.71 lakh held as at the end of the year by way of sales till the date of signing of this audit report. The definitive assessment of the financial impact on the Company due to COVID-19 pandemic situation is highly dependent upon the circumstances as they evolve in the subsequent period.

34.19 NTC has given its certain lands to all its 5 Joint Venture companies for the lease period of 33 years which is further renewable for 2 additional terms of 33 years in accordance with terms of the present deed. However, in the case of New City of Bombay Mfg. Mills Limited, Apollo Design and Apparel Parks Limited, Goldmohur Design and Apparel Parks Limited, and India United Textiles Mills Limited, resigtration of lease deeds is pending.

34.20 As at March 31, 2020, an amount of ₹ 107.41 Lakh and ₹ 104.03 Lakh is pending for expenditure on account of Corporate Social Responsibility in case of Apollo Design and Apparel Parks Limited and Goldmohur Design and Apparel Parks Limited respectively.

34.21 Impact of Covid-19 on Operations of the company

On 11 March 2020, the World Health Organization (WHO) declared the outbreak of new corona virus (COVID-19) as a global pandemic. Government of India had issued orders/ notifications for lockdown in the country from 23 March 2020 for 21 days, which was subsequently extended. Due to lockdown, the industries were closed which impacted the demand of goods and services as well as prices thereof. The Company is in the process of assessing the potential impact of COVID-19 in FY 2020-21 based on the current circumstances and expects significant impact on the revenue from operations of the company as Mills of the company were closed upto 3rd quarter of financial year 2020-21.

34.22 Previous period's figures have been regrouped and rearranged wherever considered necessary.

As per our separate report of even date attached
For **Bansal R. Kumar & Associates**
Chartered Accountants
Firm Registration Number: 008186N

Sd/-
(R.K. Gupta)
Partner
Membership No.: 086851

For and on behalf of Board of Directors of
National Textile Corporation Limited
CIN: U74899DL1968GOI004866

Sd/-
(Pankaj Agarwal)
Company Secretary
PAN: ACZPA4484D

Sd/-
(Inderpal Singh Sandhu)
Director (Finance)
DIN: 08660759

Sd/-
(Nihar Ranjan Dash)
Chairman & Managing Director
DIN: 01177349

Place: New Delhi
Date: 11.02.2021

APPENDIX DETAIL OF LOANS RECEIVED FROM GOVT. OF INDIA FROM 1994-95 ONWARDS (₹ In Lakh)

Financial Yr.	LOAN						INTEREST				
	Opening Balance	Loan for the Yr.	Managed Mills	Conversion into equity	Loan Written Off	Closing Balance	Opening Balance	Interest for the Yr.	Interest adjustment	Interest Waived Off	Closing Balance
1994-1995	202,848.47	12,300.00	(25,106.26)			190,042.21	80,637.88	3,154.97	(26,689.06)		57,103.79
1995-1996	190,042.21	23,500.00				213,542.21	57,103.79	655.97			57,759.76
1996-1997	213,542.21	33,300.00				246,842.21	57,759.76	6,133.03			63,892.79
1997-1998	246,842.21	49,964.00				296,806.21	63,892.79	20,834.68			84,727.47
1998-1999	296,806.21	40,800.00				337,606.21	84,727.47	27,032.81			111,760.28
1999-2000	337,606.21	49,400.00				387,006.21	111,760.28	34,661.05			146,421.33
2000-2001	387,006.21	49,400.00				436,406.21	146,421.33	45,935.43			192,356.76
2001-2002	436,406.21	38,500.00		(2,800.00)		472,106.21	192,356.76	55,125.70		(833.41)	246,649.05
2002-2003	472,106.21	35,047.00				507,153.21	246,649.05	62,244.08			308,893.13
2003-2004	507,153.21	32,470.45		(251,479.00)		288,144.66	308,893.13	46,500.76	(45,291.78)	(144,568.00)	165,534.11
2004-2005	288,144.66	25,717.00				313,861.66	165,534.11	51,152.55			216,686.66
2005-2006	313,861.66	26,400.00				340,261.66	216,686.66	55,427.51			272,114.17
2006-2007	340,261.66	6,250.00				346,511.66	272,114.17	60,945.06			333,059.23
2007-2008	346,511.66	6,250.00				352,761.66	333,059.23	61,977.37			395,036.60
2008-2009	352,761.66	14,500.00			(340,261.66)	27,000.00	395,293.60	2,014.78	(120,579.85)	(272,713.00)	4,015.53
2009-2010	27,000.00	-				27,000.00	4,015.53	4,069.46			8,084.99
2010-2011	27,000.00	-				27,000.00	8,084.99	4,157.66			12,242.65
2011-2012	27,000.00	-				27,000.00	12,242.65	4,334.32			16,576.97
2012-2013	27,000.00	-				27,000.00	16,576.97	4,476.53			21,053.50
2013-2014	27,000.00	-				27,000.00	21,053.50	4,595.28			25,648.78
2014-2015	27,000.00	-				27,000.00	25,648.78	4,683.75			30,332.53
2015-2016	27,000.00	-				27,000.00	30,332.53	4,683.75			35,016.28
2016-2017	27,000.00	-				27,000.00	35,016.28	4,683.75			39,700.03
2017-2018	27,000.00	-				27,000.00	39,700.03	4,683.75			44,383.78
2018-2019	27,000.00	-				27,000.00	44,383.78	4,683.75			49,067.53
2019-2020	27,000.00	-				27,000.00	49,067.53	4,683.75			53,751.28
TOTAL		443,798.45	(25,106.26)	(254,279.00)	(340,261.66)			574,164.00	(192,560.69)	(418,114.41)	

Note: * Includes Loan of ₹ 175.00 lakh directly given by GOI to erstwhile NTC (MN) LTD
**Includes Interest of ₹ 257.00 lakh provided on above loan given to erstwhile NTC (MN) Ltd.

Form No. MGT-11

PROXY FORM

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

CIN No.: U74899DL1968GOI004866

Name of the Company: National Textile Corporation Limited

Registered Office: SCOPE Complex, Core-IV, 7, Lodhi Road, New Delhi - 110 003

Name of the Member(s):
Registered address:
E-mail Id:
Folio No./Client Id
DP. Id:

I/We, being the Member(s) of shares of the above named Company, hereby appoint

1. Name:

Address:

E-mail Id: Signature:....., or failing him

2. Name:

Address:

E-mail Id: Signature:....., or failing him

3. Name:

Address:

E-mail Id: Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company, to be held on the 23rd Day of August, 2021 at 3.00 P.M at Registered Office of Company at SCOPE Complex, Core-IV, 7, Lodhi Road, New Delhi - 110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.

1.

2.

3.

4.

Signed this.....day of2021.

Signature of shareholder(s)

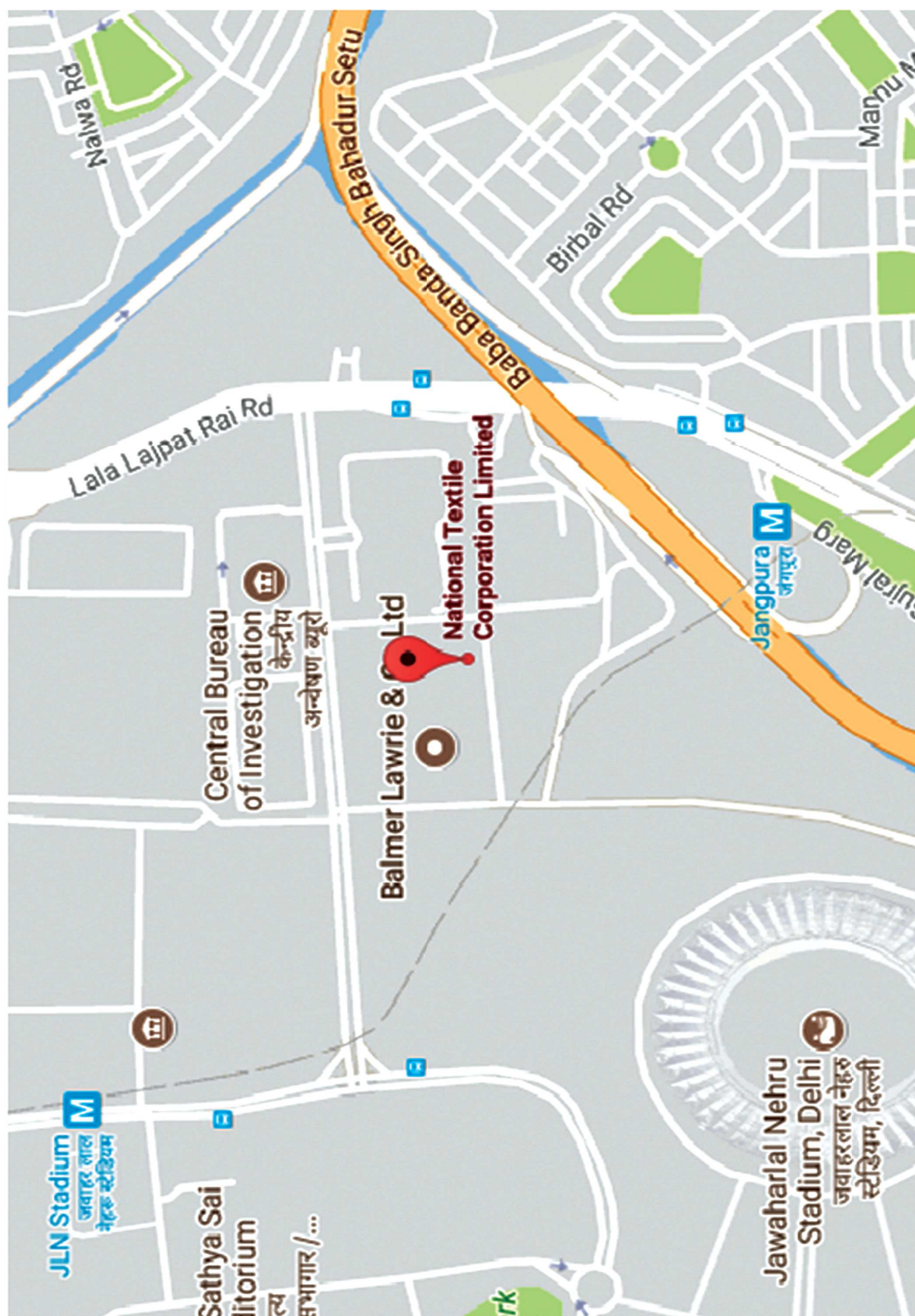
Signature of Proxy holder(s)

Affix Revenue Stamp

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.

ROUTE MAP OF 52ND ANNUAL GENERAL MEETING

VENUE: SCOPE COMPLEX, CORE – IV, 7, LODHI ROAD, NEW DELHI – 110003



ATTENDANCE SLIP

52nd Annual General Meeting, Monday, the 23rd Day of August, 2021 at 3.00 P.M.

CIN : U74899DL1968GOI004866

Name of the Company: National Textile Corporation Limited

Registered Office: SCOPE Complex, Core-IV, 7, Lodhi Road, New Delhi - 110 003

Regd. Folio No.		* DP ID:	
No. of Equity Shares held		* Client ID:	

Name of the Member	
Name of Proxy	

I/We hereby record my / our presence at the 52nd Annual General Meeting of the members of the Corporation held on Friday, the 23rd Day of August, 2021 at 3.00 P.M at the registered office of the Corporation at SCOPE Complex, Core-IV, 7, Lodhi Road, New Delhi - 110 003.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please sign here

If Proxy, Please sign here

Note: This form should be signed and handed over at the Meeting Venue.

*Applicable for investors holding shares in electronic form.

NOTES

[illegible]



एनटीसी
NTC

नेशनल टेक्सटाइल कारपोरेशन लिमिटेड

भारत सरकार का उपक्रम

कोर-4, स्कोप कॉम्प्लेक्स, 7, लोधी रोड, नई दिल्ली-110003

National Textile Corporation Limited

Government of India Undertaking

Core-IV, Scope Complex, 7, Lodhi Road, New Delhi - 110 003