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BOARD OF DIRECTORS

Chairman & Managing Director
(Additional Charge from 24.09.2013)

Directors

- **Shri R. K. Sinha**
Director (HR)
- i) Shri Bhagwati Prasad Pandey
AS & FA, Ministry of Textiles
(from 10.6.2014)
 - ii) Smt. Pushpa Subrahmanyam
Joint Secretary, Ministry of Textiles
(from 13.12.2013)
 - iii) Shri Arun Ramanathan,
Special Director-BIFR
 - iv) Shri Raman Sidhu,
Independent Director
 - v) Shri Amarendra Mahapatra,
Independent Director
 - vi) Shri Alokendra Banerjee, Director(Mktg.),
 - vii) Shri Prem Chandra Vaish,
Director (Finance)

Company Secretary

— **Shri Pankaj Agarwal**

Bankers

- i) State Bank of Hyderabad
- ii) Corporation Bank
- iii) Punjab National Bank
- iv) State Bank of India
- v) Vijaya Bank
- vi) Bank of Baroda
- vii) Indian Bank
- viii) Oriental Bank of Commerce
- ix) Syndicate Bank
- x) State Bank of Travancore
- xi) Canara Bank
- xii) UCO Bank
- xiii) Central Bank of India
- xiv) Indian Overseas Bank
- xv) HDFC Bank Limited
- xvi) ICICI Bank Limited

Auditors

— **M/s Jagdish Chand & Co.,**
Chartered Accountants, Statutory Auditors,
H-20, LGF, Green Park (Main),
New Delhi – 110 016

Board of Directors



Shri R. K. Sinha
Chairman & Managing Director



Shri Bhagwati Prasad Pandey
AS & FA, Ministry of Textiles



Smt Pushpa Subramanyam
Joint Secretary, Ministry of Textiles



Shri Arun Ramanathan
Director



Shri Raman Sidhu
Director



Shri Amarendra Mahapatra
Director



Shri Alokendra Banerjee
Director (Mktg)



Shri Prem Chandra Vaish
Director (Finance)



Shareholders of the company attending the 45th Annual General Meeting for the Financial Year 2012-13 at NTC Head Office, New Delhi

REGISTERED OFFICE

NAME	ADDRESS
1. NATIONAL TEXTILE CORPORATION LTD. NEW DELHI	Core-IV, SCOPE Complex, 7, Lodhi Road New Delhi-110 003

REGIONAL OFFICES

1. NATIONAL TEXTILE CORPORATION LTD. MUMBAI	NTC House, 15, Narottam Morarjee Marg, Ballard Estate, Mumbai-400038
2. NATIONAL TEXTILE CORPORATION LTD. COIMBATORE	10/64, Somasundram Mills Road Coimbatore-641009

SUB OFFICES

1. NATIONAL TEXTILE CORPORATION LTD. NEW DELHI	Core-IV, SCOPE Complex, 7, Lodhi Road New Delhi-110 003
2. NATIONAL TEXTILE CORPORATION LTD. AHMEDABAD	1791, Ashram Road, Ahmedabad-380009
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 (1st Floor) Kolkata-700013



Shri R.K. Sinha, CMD, Shri Alokendra Banerjee, Director (Marketing) and Shri P. C. Vaish, Director (Finance) of NTC having introductory meeting with the new Hon'ble Minister of State for Textiles, Independent Charge **Shri Santosh Kumar Gangwar.**

NTC MILLS IN OPERATION - AT A GLANCE

S.No.	Name of Mills	Location	State	Status
	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
	NTC – Southern Regional Office	Coimbatore	Tamilnadu	
6	Coimbatore Murgan Mills	Coimbatore	Tamilnadu	Modernized
7	Combodia Mills	Coimbatore	Tamilnadu	Modernized
8	Pankaja Mills	Coimbatore	Tamilnadu	Modernized
9	Sri Rangavilas Gng.Spg.&Wvg. Mill	Coimbatore	Tamilnadu	Modernized
10	Kaleeswarar Mills “B” Unit	Kalayarkoil	Tamilnadu	Modernized
11	Pioneer Spinners	Kamudakudi	Tamilnadu	Modernized
12	Coimbatore Spg. & Wvg. Mills	Coimbatore	Tamilnadu	To be Modernized
13	Tirupathi Cotton Mills	Renigunta	Andhra Pradesh	To be Modernized
14	Alagappa Textile Mills	Alagappanagar	Kerala	Modernized
15	Cannanore Spg. & Wvg. Mills	Cannanore	Kerala	Modernized
16	Kerala Laxmi Mills	Trichur	Kerala	Modernized
17	Vijaymohini Mills	Thiruvanthapuram	Kerala	Modernized
18	Cannanore Spg. & Wvg. Mills	Mahe	Pondicherry	Modernized
19	New Minerva Mills	Hassan	Karnataka	New Unit
	NTC - Madhya Pradesh	Indore	Madhya Pradesh	
20	New Bhopal Textile Mills	Bhopal	Madhya Pradesh	Modernized
21	Burhanpur Tapti Mills	Burhanpur	Madhya Pradesh	Modernized
	NTC – Gujarat	Ahmedabad	Gujarat	
22	Rajnagar Textiles Mills No.I	Ahmedabad	Gujarat	New Unit
	NTC - WBAB&O	Kolkata	West Bengal	
23	Arati Cotton Mills	Dasnagar	West Bengal	Modernized



MILLS OPERATIONAL UNDER JOINT VENTURES

S.No	Name of JV Company	Location	State
	NTC – Western Regional Office	Mumbai	Maharashtra
1.	Apollo Textile Mills	Mumbai	Maharashtra
2.	Gold Mohur Mills	Mumbai	Maharashtra
3.	New City of Bombay Mfg. Mills	Mumbai	Maharashtra
4.	Aurangabad Textile Mills	Aurangabad	Maharashtra
5.	India United Mills No 1	Mumbai	Maharashtra

MILLS UNDER ARBITRATION

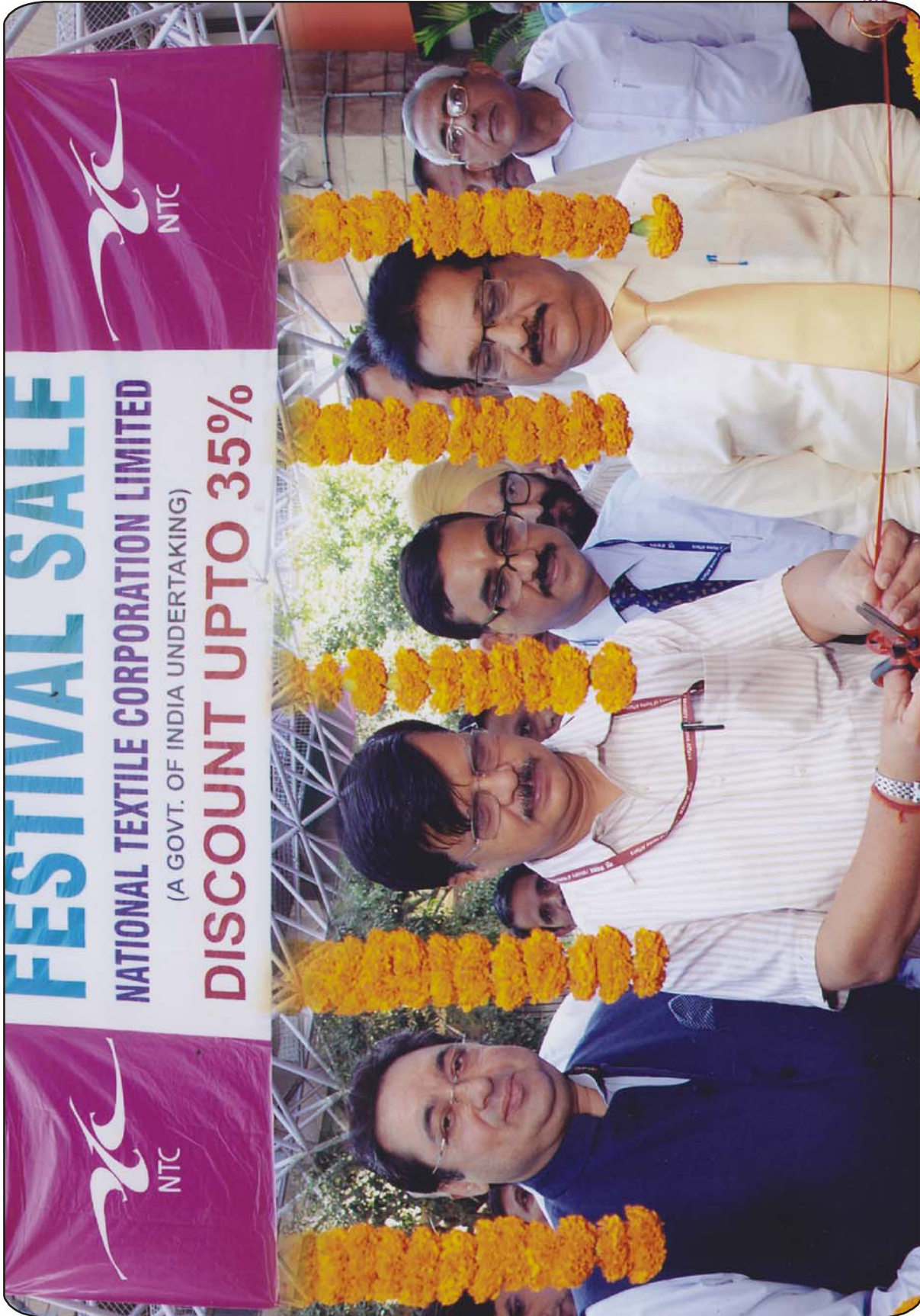
S.No	Name of Mill	Location	State
	NTC – Western Regional Office	Mumbai	Maharashtra
1.	Chalisingaon Textile Mills	Chalisingaon	Maharashtra
2.	Dhule Textile Mills	Dhule	Maharashtra
3.	Nanded Textile Mills	Nanded	Maharashtra
4.	Savatram Ramprasad Mills	Akola	Maharashtra
5.	RBBA Spg. & Wvg. Mills	Hinganghat	Maharashtra
	NTC – Southern Regional Office	Coimbatore	Tamilnadu
6.	Sri Sarada Mills	Coimbatore	Tamilnadu
7.	Parvathi Mills	Quilon	Kerala
	NTC – Uttar Pradesh	Kanpur	Uttar Pradesh
8.	Swadeshi Cotton Mills	Maunath Bhanjan	Uttar Pradesh
	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
NTC – Western Regional Office		Mumbai	Maharashtra	
1.	Digvijay Textile Mills	Mumbai	Maharashtra	01.04.2004
2.	Elphinstone Spg.&Wvg. Mills	Mumbai	Maharashtra	01.04.2004
3.	Finlay Mills	Mumbai	Maharashtra	31.08.2009
4.	Madhusudan Mills	Mumbai	Maharashtra	01.04.2004
5.	Mumbai Textile Mills	Mumbai	Maharashtra	01.04.2004
6.	India United Mills No 3	Mumbai	Maharashtra	31.03.2004
7.	India United Mills No 4	Mumbai	Maharashtra	31.10.2004
8.	India United Mills Dyeworks	Mumbai	Maharashtra	24.01.2007
9.	Jam Manufacturing Mills	Mumbai	Maharashtra	31.03.2004
10.	Kohinoor Mills No 1	Mumbai	Maharashtra	27.12.2006
11.	Kohinoor Mills No 2	Mumbai	Maharashtra	01.06.2002
12.	Kohinoor Mills No 3	Mumbai	Maharashtra	01.06.2002
13.	Shri Sitram Mills	Mumbai	Maharashtra	31.03.2004
14.	RSRG Mohta Spg.Wvg. Mills	Akola	Maharashtra	05.06.2004
15.	Model Mills	Nagpur	Maharashtra	05.06.2004
NTC – Southern Regional Office		Coimbatore	Tamilnadu	
16.	Somasundram Mills	Coimbatore	Tamilnadu	31.10.2002
17.	Kaleswarar Mills 'A' Unit	Coimbatore	Tamilnadu	21.07.2002
18.	Adoni Cotton Mills	Adoni	Andhra Pradesh	06.05.2002
19.	Ananthapur Cotton Mills	Tadaprti	Andhra Pradesh	Closed
20.	Minerva Mills	Bangalore	Karnataka	15.03.2011
21.	MSK Mills	Gulbarga	Karnataka	06.05.2002
22.	Mysore Spg & Mfg. Mills	Bangalore	Karnataka	Merged with Minerva
23.	Sree Yallmma Cotton Mills	Devangere	Karnataka	24.01.2009
NTC - Delhi, Punjab & Rajasthan		New Delhi	Delhi	
24.	Dayalbagh Spg. & Wvg. Mills	Amritsar	Punjab	15.02.2003
25.	Kharar Textile Mills	Kharar	Punjab	06.02.2009
26.	Panipat Woolen Mills	Kharar	Punjab	31.12.2003
27.	Suraj Textile Mills	Malout	Punjab	06.02.2009
28.	Mahalaxmi Cotton Mills	Beawar	Rajasthan	Activity Suspended
29.	Shree Bijai Cotton Mills	Bijay Nagar	Rajasthan	06.02.2009
30.	Udaipur Cotton Mills	Udaipur	Rajasthan	Activity Suspended



S.No	Name of Mills	Location	State	Date of closure/Status
NTC - Madhya Pradesh		Indore	Madhya Pradesh	
31.	Indore Malwa United Mills	Indore	Madhya Pradesh	31.03.2003
32.	Kalyanmal Tapti Mills	Indore	Madhya Pradesh	31.05.2002
33.	Bangal Nagpur Cotton Mills	Rajnandgaon	Madhya Pradesh	31.10.2002
34.	Hira Mills	Ujjain	Madhya Pradesh	31.10.2002
NTC - Uttar Pradesh		Kanpur	Uttar Pradesh	
35.	Muir Mills	Kanpur	Uttar Pradesh	11.03.2004
36.	New Victoria Mills	Kanpur	Uttar Pradesh	11.03.2004
37.	Swadeshi Cotton Mills	Kanpur	Uttar Pradesh	11.03.2004
38.	Luxmi Rattan Cotton Mills	Kanpur	Uttar Pradesh	11.03.2004
39.	Atherton West Mills	Kanpur	Uttar Pradesh	11.03.2004
40.	Shree Vikram Cotton Mills	Lucknow	Uttar Pradesh	11.03.2004
41.	Lord Krishna Textile Mills	Saharanpur	Uttar Pradesh	11.03.2004
42.	Swadeshi Cotton Mills	Naini	Uttar Pradesh	16.01.2009
43.	Raebareli Textile Mills	Raebareli	Uttar Pradesh	11.03.2004
44.	Bijli Cotton Mills	Hathras	Uttar Pradesh	11.03.2004
NTC - Gujarat		Ahmedabad	Gujarat	
45.	Ahmedabad Jupiter Textile Mills	Ahmedabad	Gujarat	31.03.2003
46.	Ahmedabad New Textile Mills	Ahmedabad	Gujarat	07.02.2009
47.	Jehangir Textile Mills	Ahmedabad	Gujarat	30.06.2004
48.	New Manekchowk Textile Mills	Ahmedabad	Gujarat	31.07.2002
49.	Rajnagar Textiles Mills No.II	Ahmedabad	Gujarat	31.10.2002
50.	Petlad Textiles Mills	Petlad	Gujarat	06.05.2002
51.	Virangam Textile Mills	Virangam	Gujarat	31.07.2002
NTC - WBAB&O		Kolkata	West Bengal	
52.	Associated Industries	Chandrapura	Assam	05.02.2009
53.	Bihar Co-op Weavers Spg. Mills	Mokameh	Bihar	05.02.2009
54.	Gaya Cotton & Jute Mills	Gaya	Bihar	06.05.2002
55.	Bangasri Cotton Mills	Sonepore	Bihar	06.05.2002
56.	Bengal Fine Spg. & Wvg. Mills No.1	Konnagar	West Bengal	25.10.2003
57.	Bengal Fine Spg. & Wvg. Mills no.2	Katagunj	West Bengal	06.05.2002
58.	Bengal Laxmi Cotton Mills	Serampore	West Bengal	25.10.2003
59.	Manindra B.T.Mills	Cossimbazar	West Bengal	06.05.2002
60.	Rampooria Cotton Mills	Rishra	West Bengal	25.10.2003



Shri Sanjay Kumar Panda, IAS, Secretary Textiles inaugurating the Grand Diwali Sale Stall at Head Office, New Delhi in the presence of Shri R.K. Sinha, CMD, Shri Alokendra Banerjee, Director (Marketing), Shri P. C. Vaish, Director (Finance) and other Officials of NTC.



NOTICE

Notice is hereby given that the **46th Annual General Meeting** of the Members of the National Textile Corporation Limited, New Delhi will be held on **Tuesday, the 30th September, 2014 at 3.00 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 Directors' Report, Audited Balance Sheet of the Company as on 31st March, 2014 and Profit & Loss Account for the year ended 31st March, 2014 together with the Auditors' Report and Comments of the Comptroller & Auditor General of India, thereon.

“**RESOLVED THAT** the Directors' Report, Audited Balance Sheet of the Company as on 31st March, 2014 and Profit & Loss Account for the year ended 31st March, 2014 together with the Statutory Auditors' Report and comments of the Comptroller & Auditor General of India thereon, be and are hereby received, considered and adopted”.

2. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**, in respect of fixation of the remuneration of Auditors, appointed by C&AG for the financial year 2013-14.

“**RESOLVED THAT** consent of the Company be and is hereby accorded in pursuance to section 142 of the Companies Act 2013 (Section 224(8)(aa) of the erstwhile Companies Act, 1956) to pay the remuneration of ₹12.00 lacs (Rupees twelve lacs only) (excluding Service Tax) as approved by the Board in its 346th Meeting held on 12th March 2014, to M/s Jagdish Chand & Co., Chartered Accountants, H-20, LGF, Green Park (Main), New Delhi - 110 016, the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India under Section 619(2) of the erstwhile Companies Act, 1956 for the financial year 2013-14 vide their letter No. CA.V / COY/CENTRAL GOVERNMENT, NTCND(43)/1174 dated 13.09.2013, from the conclusion of last Annual General Meeting until the conclusion of this Annual General Meeting.”

By Order of the Board of Directors

Place: New Delhi
Date : 4th September, 2014

Sd/-
(Pankaj Agarwal)
Company Secretary

NOTES :

1. 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
 1. All Members
 2. All Directors
 3. M/s Jagdish Chand & Co., Chartered Accountants, Statutory Auditors, H-20, LGF, Green Park (Main), New Delhi - 110 016.
 4. Director, MAB-II, 4th - 5th Floor, Annexe Building, 10, B.S. Zafar Marg, New Delhi - 110 002

By Order of the Board of Directors

Place: New Delhi
Date : 4th September, 2014

Sd/-
(Pankaj Agarwal)
Company Secretary



R. K. SINHA
Chairman & Managing Director

DIRECTORS' REPORT 2013-14

Dear Shareholders,

Your Directors take immense pleasure in presenting the 46th 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 31st March, 2014 as approved by the Board and certified by the Auditors.

TEXTILE SCENARIO AND NTC

The Indian textile industry contributes about 14 percent to industrial production, 4 percent to the GDP and 17 percent to the country's export earnings. It provides direct employment to over 35 million people. The textile sector is the second largest provider of employment after agriculture.



OPERATIONS IN MODERNISED MILLS

The Company has completed the modernization of its 18 mills. Three mills, viz., Ahmedabad (Gujarat), Achalpur (Maharashtra); and Hassan (Karnataka) which are relocated Green Field Projects are now operational. 2 mills are subsequent additions under MS-08. Thus, the number of working mills during the year was 23.

REFOCUSING RETAIL STRATEGY

NTC shall be focusing effectively on branding and retailings of its fabrics through the Retail Marketing Division and through franchisee stores and increase its volume of institutional sales in the coming days. The export increased to the level of ₹ 100.40 crores from Rs. 84 crores during the year 2013-14. 'Technical Textiles' is an area where there is tremendous scope for the company to improve its turnover and profitability; hence initially Marketing Agreements have been signed to penetrate this segment.

MOBILISATION OF FUNDS FOR REVIVAL SCHEME

The entire funds required for the implementation of the Revival Scheme is generated through sale of assets of the closed mills and surplus assets of the viable mills. NTC has so far generated Rs. 6584 crore by sale of assets by the Asset Sale Committee, constituted by BIFR/MOT.

CHALLENGES BEFORE COMPANY

Power cut, labour shortage and absenteeism were the major factors which adversely affected the performance of some of the modernized mills. The Company has been making all out efforts to manage these constraints. The power shortage was supplemented through private power purchase and power generated through DG sets wherever feasible. All the mills have been advised to implement motivational schemes to curtail absenteeism taking into account the specific factors of area.

RATIONALISATION OF MAN POWER

Your company has rationalized surplus workforce through voluntary retirement schemes, thus bringing down the total strength of the employees to 8310 as on 31.03.2014. The industrial relations in the company by and large were cordial.

CONSTITUTION OF BOARD

The Company has eight members on its board—consisting of three Functional Directors, two nominee Directors from the Ministry of Textiles besides one Special Director, BIFR and two Independent Directors. Additional Charge of the post of Chairman & Managing Director has been assigned to Shri R.K. Sinha, Director (HR) w.e.f. 24.09.2013.

1. HIGHLIGHTS FOR THE YEAR 2013-14

1.1 FINANCIAL RESULTS

During the year, though your Company registered a net loss of Rs. 175.71 crore, its turnover increased by 7.58% from ₹ 1025.88 Crore to ₹ 1103.64 Crore. Financial results for the year 2013-14 are as below:

S.No.	Particulars	2013-14	2012-13
I	INCOME		
	i) Gross Sale	1103.64	1025.88
	ii) Increase/ (Decrease) in Stock	74.89	27.81
	iii) Other Income from Operations – waste sales etc.	13.11	32.85
	Total Production Value	1191.64	1086.54
	iv) Other Income from ordinary activities-		
	a) Interest on FD, int. on sales proceed of assets	138.53	165.85
	b) dividend and exchange rate difference	6.88	8.11
	Total Revenue (i to iv)	1337.05	1260.50
II	EXPENDITURE		
	i) Consumption of Raw Material	655.94	514.53
	ii) Purchases for Trading	71.37	80.61
	iii) Consumption of Stores & Spares	36.97	43.47
	iv) Power & Fuel	214.72	184.30
	v) Employees Cost :		
	(a) wages & Salaries	249.96	228.88
	(b) Gratuity, Leave Provisions etc.	32.21	38.73
	vi) Other Manufacturing, Administrative & Selling Exp.	84.91	81.89
	vii) Provisions for doubtful debts etc.	1.32	7.47
	Total-II	1347.40	1179.88
III	Profit /(Loss) from Ordinary activities before Depreciation, Interest exceptional / extraordinary items & Tax (I - II)	(10.35)	80.62
IV	i) Depreciation	112.46	92.63
	ii) Interest:		
	a) Interest on Government of India Loan	45.96	44.76
	b) Other Interest	7.70	5.00
	Total (IV)	166.12	142.39
V	Profit or (Loss) from Ordinary activities before exceptional and extraordinary items (III-IV)	(176.47)	(61.77)
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)+IV(i)+IV(ii)(a)}]	15.48	121.82



S.No.	Particulars	2013-14	2012-13
VII	Prior period adjustment	(1.57)	45.81
VIII	Extra Ordinary Items		
	i) Income from Sale of Assets etc	4.77	22.77
	ii) Expenditure on MVRS etc	(6.91)	(17.88)
	iii) Post Take over employees liabilities.		0.00
	iv) Provisions Written Back	9.47	1.89
	v) Interest waived by Others		0.00
	vi) Debts and assets written off	(7.63)	(1.30)
	vii) Compensation/Right of Surrender/Commissioner of Payments (additional award)	0.00	2.17
	viii) Back wages Liability written off	0.00	47.05
	ix) Reversal of provision of claim receivable from Central Govt./others	2.63	47.51
	Total (VIII)	2.33	102.21
IX	Tax:		
	i) Income Tax	0.00	0.00
	ii) Deferred Tax	0.00	1.13
	Total (IX)	0.00	1.13
X	Net Profit / (Loss) after Extra ordinary and Tax Items (V+VII+VIII-IX)	(175.71)	85.12

1.2 NET PROFIT & NET WORTH

The position of Net profit & Net Worth at the end of last six years is as follows:

ITEM	(₹ In Crore)					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Net Profit/(Loss)	246.51	103.13	1304.24	130.15	85.12	(175.71)
Net worth	155.60	258.74	1562.98	1693.13	1778.25	1602.54

2. FUNDS FOR PAYMENT OF WAGES AND SALARIES

While the Company had been enjoying the benefit of budgetary support from its inception, NTC has not availed any budgetary support for its wages, for the last five years i.e. 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14.

2.1 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 aggregating to ₹ 207.50 crore, received during 2007-08 & 2008-09, be waived off.

2.2 STATUTORY DUES

The principal amount and interest in respect of Provident Fund dues as on 30.06.2014 are ₹ 8.55 lacs and ₹ 65.81 lacs respectively in respect of post nationalization period which will be paid after these dues are reconciled and confirmed by the respective branches of the PF authorities. There has been no default in the payment of regular PF/ESIC dues during the year. PF/ESI authorities have been requested again through MOT to consider waiver of damages and dues pertaining to pre-takeover period.

3. EXPENDITURE ON FOREIGN TOURS AND GUEST HOUSE

3.1 During the year 2013-14, a sum of ₹ 15.81 lakh was incurred on foreign tours against ₹ 40.01 lakh in the previous year.

3.2 NTC Ltd. does not maintain any Guest House.

4. PRODUCTION & SALES

4.1 PRODUCTION

During the year under review the number of working mills was 23. NTC Mills produced 48.91 million kgs. of yarn as against the production of 42.80 million kgs. in the previous year. These mills also produced 14.78 million mtrs. of cloth during the current year as against the production of 12.73 million mtrs. of previous year. Thus, your company registered an increase in yarn production by 14.28% and cloth production by 16.10% over the previous year.

4.2 SALES

The total turnover of the company during the year was ₹ 1103.64 crores as against ₹ 1025.88 Crores in the previous year registering an increase of 7.58 % over the previous year.

4.3 MARKETING

Launching of new Brands:

NTC through its new marketing strategy has decided 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 continuously yarn from us. Positioning itself to be a repository of India 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 make available Indian heritage textiles to all potential customers across the globe eventually.



NTC has set out to reach a turnover of ₹ 2000.00 Crore by 2016-17 from current turnover of ₹ 1103.64 Crores.

In keeping with the marketing mission and vision statement, NTC plans to be a consolidator for the power loom sector, handloom sector and allied handicraft sector to bring indigenous products to its customers through 83 company owned stores, 60 NTC franchisee stores and 8 Brands India stores. NTC also plans to take up women empowerment through its initiative "STREEVIJAY". 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 tandem with the changing sector scenario, NTC is diversifying its operations into Technical Textile as well.

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

Institutional and Export sales will be thrust sector for NTC in the coming years.

5. SIGNING OF MOU WITH MINISTRY OF TEXTILES:

The MOU for the year 2014-15 has been signed between the Ministry of Textiles and Company on 28th March, 2014. As per the MOU the Company proposes to achieve new financial targets of Rs. 1300 crores as turnover and improved technical performance by taking spinning utilization percentage to the level of 85%.

6. NEW INITIATIVES

6.1 Status of 3 Green field units

Finlay Mills- Achalpur

The then Hon'ble President of India had laid the foundation stone of this mill in September, 2008. All the Spinning Preparatory and Spinning Machinery, Post Spinning, Weaving Preparatory and Weaving looms have been installed. 40 Ring Frames are already in regular production and production on all 144 looms commissioned on 16.03.2014 have started.

New Minerva Mills- Hassan

All the Spinning preparatory and Spinning Machinery, Post Spinning, Weaving Preparatory and Weaving Looms have been installed & commissioned. Production on all 36 Ring Frames and 48 Looms was started on 01.01.2011.

Rajnagar Mills – Ahmedabad

All the spinning and weaving machinery has been installed, commissioned and started on 01.04.2012. This includes 36000 spindles and 72 wider widths looms.

6.2 Steps taken for diversification into Technical Textiles;

NTC has signed marketing agreements with three international players for marketing of 'Technical Textiles Products' before proceeding to manufacturing tie-up.

6.3 ISO Certification: and OEKO-TEX Certification

Till now, 20 NTC mills and both the Regional Offices had obtained ISO 9001:2008 certification. In addition, five NTC mills have obtained Oeko-tex certification during the year 2013-14.

6.4 E-Procurement of Cotton

The cotton is being taken through e-procurement route wherein the cotton specifications are put online and all registered vendors bid for the orders. It is a very open and transparent system which has helped NTC in procuring the desired quality of cotton at the lowest price.

The details of tenders and auctions floated by NTC are being published on our website.

6.5 Steps taken for tackling power cut:

Private Power Purchase - NTC meets some of its shortfall through private power purchase agreements.

6.6 To counter Labour shortage:

To Counter Labour shortage as well as to improve HOK of NTC, workload agreements have been signed with labour unions in respect of all the mills except Coimbatore Murgan Mills, Coimbatore which is also in process.

6.7 Energy Conservation:

Energy Cost being one of the major components of cost of production, necessary steps are being taken towards Energy Conservation. Energy Conservation Audit of 10 mills was conducted and an estimated saving of ₹ 227.28 lakhs was envisaged by Auditors out of which ₹ 184.48 Lakhs savings was achieved without any investment made in our mills. Apart from energy auditors' recommendations, our project monitoring cell suggested our working mills from time to time for energy conservations and got additional savings of ₹ 143.93 Lakhs upto January, 2014.

The maximum contract demand of the closed / non operating units has either been suitably revised or their HT line disconnected by replacing the medium supply connection for essential services from concerned State's Electricity Boards. The action has been taken to reduce the sanctioned contract demand and appropriate connections taken in the units wherever necessary and savings of ₹ 23.50 lakhs achieved till January, 2014.

Further, 10 mills have been taken up for energy audit work.



In accordance with the requirement of Section 217(i)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors Rules, 1988) the, desired statement is given below:-

PARTICULARS	2013-14	2012-13
Physical Production (Lakh Kgs.)	489.11	427.98
Cloth (Lakh Mtrs.)	147.78	127.29
Capacity Utilization (%age)	83.37	81.34
Consumption of Energy per unit of prod. (Units./ kg.)	5.56	5.58

7. REVIVAL OF MILLS

7.1 THE REHABILITATION SCHEME

BIFR/GOI approved revival schemes in the year 2002 for eight sick subsidiaries which envisaged modernization of 53 viable mills and closure of 66 unviable mills with an estimated cost of ₹ 3937.00 Crores. Subsequently the Scheme was modified including the 9th erstwhile Subsidiary of Tamil Nadu and all the Subsidiary companies were merged into a single company with the Holding Company, NTC Ltd., w.e.f. 1.4.2006. The BIFR has approved the merger of nine Subsidiary Companies by order dated 27.6.2007. The Scheme has also been modified in the year 2008 after incorporating necessary changes and approved by the BIFR vide order dated 5.9.2008. The Modified Scheme MS-08 is for a total cost of ₹ 9102.72 crores including bonds issue of ₹ 2028.04 crores as a bridge arrangement.

7.2 THE SALIENT FEATURES OF THE MODIFIED SCHEME – MS08

S.No	Features	MS-08
i)	Mills proposed to be modernized by NTC (Nos)	22
ii)	Mills to be modernised through JV (Nos.)*	18
iii)	Mills proposed to be closed (Nos.)	77
iv)	Proposed spindle capacity (Nos. in lakh)	9.32
v)	Proposed looms capacity (Nos.)	670
vi)	Proposed processing capacity (Mtrs. per day)	70000
vii)	Daily engagement of workmen (Nos.)	11462
viii)	Daily production – Yarn (Lakh Kg.)	2.55
	– Cloth (Lakh Mtr.)	1.60

* Out of 18 mills which were to be modernized through JV, two mills were taken out from JV list and are being modernized by NTC itself. Short term modification has been done to utilize the existing machinery.

7.3 The Scheme is a self financing scheme and the source of funds is mainly from sale of assets:

a) COST OF THE SCHEME

(₹ In crore)

Sl. No.	Particulars	As per BIFR approved Scheme MS-08	Actually spent upto 30.06.2014
1	Modernisation	1155.96	1579.18
2	Margin money	54.02	35.50
3	Cash loss during implementation	1668.94	2334.85
4	MVRS/VRS	2490.87	2378.89
5	Secured creditors	293.65	294.11
6	Statutory dues	224.55	191.67
7	Pressing creditors	328.13	175.06
8	Interest & other expenses on bonds	858.56	882.54
9	JV Mills – paid up capital	0.00	0.25
10.	Revamping of showrooms	0.00	5.39
11.	Development of IT system	0.00	3.60
	Sub-Total	7074.68	7881.04
12.	Bonds redemption	2028.04	2028.04
	Total cost of scheme	9102.72	9909.08

b) SOURCE OF FUNDS

(₹ In crore)

Sl. No.	Particulars	As per BIFR approved Scheme MS-08	Actually Generated upto 30.06.2014
1	Loan received from GOI	1643.84	1466.34
2	From sale of assets	7033.22	6548.92
3	Interest earned	234.89	1093.34
4	VRS grant received	55.47	55.47
5	Rent received	7.21	22.19
6	Funds received from JV Mills	0.00	97.73
7	Dividend from JV Mills	0.00	32.50
8	EMD received	0.00	100.96
	Sub total	8974.63	9417.45
9	Bonds issued	2028.04	2028.04
	Grand Total	11002.67	11445.49



7.4 THE BIFR ORDER DATED 05.12.2011

The period of implementation of revival scheme was extended up to 31.03.2012 vide BIFR order dated 05.12.2011.

8. PROGRESS OF IMPLEMENTATION OF REVIVAL SCHEME

8.1 Implementation of MVRS

The most of the workers of the mills identified for closure and the surplus employees in the viable mills, in addition to those employees who were desirous to go under MVRS in the various offices, were offered MVRS. During the year 2013-14, 125 employees opted for MVRS and compensation amounting to ₹ 6.68 Crore has been paid. Up to 1st July, 2014, 63296 employees have been relieved under MVRS at a cost of ₹ 2373.66 crores.

8.2 Closure of unviable Mills

No mill has been closed under ID Act during the year 2013-14.

8.3 Modernization of Mills

NTC has in its hold 23 mills directly run by it and another 5 mills through JV partnership.

The company had an MoU in case of 11 mills to be run through JVs. As per the review by Board of NTC the MoU was cancelled and matter is under adjudication, sub-judice in the High Court of Delhi. The decision to revive either by JV route or by NTC itself will be taken after award by Arbitrator Tribunal.

8.4 Relocation of mills for modernization

BIFR approved relocation of 4 mills – one each at Achalpur (Maharashtra); Hassan (Karnataka); Ahmedabad (Gujarat); and Beawar (Rajasthan). The first three composite have started production and for setting up 4th relocated unit slated to manufacture Technical-textiles (Technical Textiles), a new field for NTC, further steps have already been initiated by your company.

8.5 Five Mills Expansion

Additional spindles are put in 5 of the existing projects of NTC, adding 1.14 lac spindles. NTC has 8.31 lacs spindles and 392 looms in operation.

8.6 Future Plans

NTC is in the process of consolidating its core activities of spinning and weaving, adding processing & home textile made ups. NTC is also moving into Technical Textiles. It is also being contemplated to take stock of the surplus real estate with the company and see if it can be exploited to its advantages. Other strategies of relocating mills from urban to up-country areas are also under consideration subject to approval of MOT, GOI and BIFR, if required. NTC is in the process of framing Modified Draft Rehabilitation Scheme (MDRS).

9. STATUS OF JV MILLS

9.1 In respect of 5 operational mills under Joint Venture (JV) arrangement, the consolidated financial position is as under:

(₹ In lakhs)

	Particulars in respect of J.V. Companies	Total 2013-2014	Total 2012-2013
I.	INCOME		
	1. Sales	63222.77	60021.30
	2. Other Income	1844.92	1907.17
	3. Increase/ (Decrease) in Stock	(404.28)	433.30
	Total Income from Operations (1+2+3)	64663.41	62361.77
II.	EXPENDITURE		
	1. Purchases	58790.91	56768.56
	2. Employees Remuneration & Benefits	798.20	802.84
	3. Administrative, Selling & Distribution Expenses	1343.07	1312.76
	4. Finance Charges	0.01	0.08
	Total Expenditure on Operations (1+2+3+4)	60932.19	58884.24
III.	Cash Profit/ (Loss) from Operations before Extra Ordinary Items and Non Operational Expenses	3731.22	3477.53
IV.	Non Operational Expenses		
	1. Prior Period (Income)/ Expenses	(2.34)	3.83
	2. Depreciation	222.33	216.76
	3. Income Tax (Current)	1146.47	1071.90
	4. Income Tax (Deferred)	11.54	(28.46)
	Total (1+2+3+4)	1378.00	1264.03
V.	Net Profit/ (Loss) after Non Operational Expenses and Taxes	2353.22	2213.50
VI.	Dividend paid/proposed	1355.25	1264.34
VII.	NTC's Investment (in Rs.)	1808.51	1808.51
VIII.	Percentage of NTC shares (%)	51	51
IX.	NTC's share in profit	1200.14	1128.89
X.	Dividend received/proposed (NTC Share)	691.18	644.81



9.2 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 termed the termination as illegal vide its order dated 14.08.2012. NTC filed petition for review of the order which has come up for hearing on few dates and the last hearing was held on 19.08.2014. Arbitration proceedings are also under progress.

10. HUMAN RESOURCES DEVELOPMENT

10.1 INDUSTRIAL RELATIONS

The Industrial Relations in NTC Group remained cordial during the year.

10.2 WORKERS' PARTICIPATION IN MANAGEMENT

Management Committees already exist in most mills of NTC. The Management Committees attend to the matters relating to production, utilization of machinery, efficiency, productivity, product quality, cost reduction etc. The Scheme has been of great help in creating excellent rapport with the employees in enhancing their morale and in increasing quality consciousness amongst them.

10.3 Modified Voluntary Retirement Scheme (MVRS)

At the end of March, 2014, there have been 8310 employees on roll in NTC Group. 63295 employees have been relieved under MVRS since 01.04.2002 and MVRS amount of ₹ 2373.66 crores was paid to them.

10.4 EMPLOYMENT OF WOMEN:

At the close of year 2013-14, in NTC Group, there were 1406 women employees out of the total 8310 employees. The overall percentage of women employees in NTC is 16.90%.

11. SC/ST POSITION IN RESPECT OF NTC GROUP AS ON 31.3.2014 WAS AS UNDER

Group employees	Total no.of employees	No. of SC employees	% age of SC employee	No. of ST employees	% age of ST
A and B	619	93	15.02	04	0.60
C	784	93	11.86	10	1.27
D	6878	1165	11.93	74	1.07
D(S)	29	29	100.0	-	-
Total	8310	1380	16.60	88	1.05

12. PROGRESS IN USE OF HINDI

All efforts are being made to improve/increase the use of Hindi (O.L.) in the working of the Corporation as well as all the Subordinate Offices. Office Orders & Circulars were issued in Hindi as well. With a view to

create a conducive and inspiring atmosphere for the implementation of the Official Language Policy, Hindi Pakhwara (Fortnight) was organized from 14.09.2013 to 28.09.2013. Several Hindi workshops & competitions were conducted during the year to encourage the employees to maximize the use of Hindi in official work. A large number of officers and staff members participated in the competitions. Incentives & Prizes and appreciation certificates were distributed amongst the employees as a source of motivation.

A Hindi Kavi Sammelan (Recitation/Poet Convention) was also organized on 25.10.2013 at Head office. A two day All India Raj Bhasa Sammelan (Convention) on 28th & 29th March, 2014 was successfully organized in the Headquarter for improving the use of Hindi in the Corporation.

NTC, New Delhi has been awarded with special Honor & conferred with Shield & Appreciation-letter for the remarkable and outstanding work achievements regarding propagation of progressive use & implementation of Official Language- Hindi by the CENTAD, Centre for Training & Development, Bengaluru on the occasion of All India Official Language Conference, held at Kanyakumari, Tamilnadu dated 14.11.2013 to 16.11.2013.

13. PARTICULARS OF EMPLOYEES

The particulars of covered employees in pursuance of Section 217 (2A) of the Companies Act 1956 read with (particulars of Employees) Rules 1975 as amended are "NIL".

14. VIGILANCE ACTIVITIES

The Vigilance Division of the Corporation is playing a crucial role in achieving the goals of the organization by safeguarding and protecting the interest of the corporation.

The Vigilance Wing 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.

As a preventive step, 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 taken for the identification of sensitive jobs, at three-tier level i.e. a) Head-office; b) Regional/ Sub Offices and c) Production Unit level, for periodically carrying out job rotation of the officials posted on such sensitive posts.

The '**Vigilance corner**' of website of the Corporation has regularly being upgraded, providing information about the vigilance activities. '**The Complaint Management System (CMS)**' implemented for monitoring of online complaints.

The complaints received from various sources are being looked into and processed promptly as per the guidelines issued by the 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. Agreed list and ODI are being prepared regularly.

As per instructions of CVC, Vigilance Awareness Week was observed from 28.10.2013 to 02.11.2013 at our registered office as well as in its constituted units/offices.



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

(A) Directors ceased to exist :

Sh. R.K. Sharma	- 30.11.2013
Sh. Sujit Gulati	- 13.12.2013
Smt. Anita Agnihotri	- 01.05.2014
Sh. S. K. Bahri	- 10.06.2014

(B) Directors inducted on Board:

Smt. Pushpa Subrahmanyam	- 13.12.2013
Sh. S. K. Bahri	- 01.05.2014
Sh. Bhagwati Prasad Pandey	- 10.06.2014

16. MEETINGS OF BOARD OF DIRECTORS

During the financial year 2013-14, 7(seven) Board Meetings of the Corporation were held i.e.

No.	Meeting Nos.	Date
1	340	22.05.2013
2	341	27.06.2013
3	342	14.08.2013
4	343	22.10.2013
5	344	18.12.2013
6	345	27.02.2014
7	346	12.03.2014

17. AUDIT COMMITTEE MEETINGS

During the financial year 2013-14, 6 (six) Meetings of Audit Committee were held i.e.

No.	Meeting Nos.	Date
1	38	24.06.2013
2	39	11.09.2013
3	40	22.11.2013
4	41	13.01.2014
5	42	10.03.2014
6	43	19.03.2014

17. The remarks of the Statutory Auditors on the Annual Accounts of the Company for the year ended 31.03.2014 and the management's reply are enclosed in **Annexure-I** for the perusal of the members. The comments of the Comptroller & Auditor General of India are awaited.
18. As per the directions of Ministry of Corporate Affairs, M/s. G N V & Associates have been appointed as lead cost auditors to consolidate the Cost Audit Report of 24 working units for the year 2013-14.

19. 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 –II**, for perusal of the members.

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

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the revised guidelines issued by Department of Public Enterprises (DPE) on CSR vide O.M. No.15(7)/2012/DPE (GM) – GL – 104 dated 12th April 2013. the Company has set up a Two Tired Organizational Structure to steer the CSR and Sustainability Agenda of the Company and therefore, has constituted a Board Level Committee headed by an Independent Director to oversee the implementation of the CSR and Sustainability policies of the Company and a Team of Officers headed by Officer, one level below the Board level, as nodal officer to facilitate coordination of CSR and Sustainability initiatives of different departments within the organization, to report on their separate endeavors, to issue policy directions on the subject and to devise an appropriate Corporate Communication Strategy in this regard.

As per the provisions of Section 135 of the New Companies Act 2013 and the rules made there under, the Company has to spend at least 2% of its average net profit in the previous three years on CSR activities. The company is in the process of formulating a policy for implementation of CSR activities according to which it will undertake the CSR activities.

22. 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, 2013 to 31st March, 2014, 396 requests were received from different applicants. In all the cases information was made available to the applicant. 40 applicants preferred for the First Appeal before the Appellate Authority and 5 applicants made Second Appeal with Central Information Commission (CIC) and decision in both the appeals were in favour of your 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.

23. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirmed:

- 23.1 That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures. Proper and sufficient care has been taken for maintenance of adequate accounting records.
- 23.2 That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- 23.3 That the Directors had taken proper and sufficient care for the 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 fraud and other irregularities.
- 23.4 That the Directors had prepared the Annual Accounts on a going concern basis.

24. 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, Branch Auditors, Cost Auditors, Bankers, Financial Institutions, Operating Agency- IDBI, BIFR, AAIFR and valued customers. Directors gratefully acknowledge valuable suggestions and guidance given by the Statutory Auditors M/s. Jagdish Chand & Co., 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

Place: New Delhi
Date : 9th Sept, 2014

Sd/-
(R.K. SINHA)
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of National Textile Corporation Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **National Textile Corporation Limited** (the "Company"), which comprise the Balance Sheet as at 31ST March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956 of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. We state that cumulative MAT Credit Entitlement of Rs. 9,230.26 Lacs shown as claimable as on 31ST March, 2014 is not in accordance with Guidance Note on Accounting for Credit Available in respect of



Minimum Alternative Tax under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, since no convincing evidence is available that the company will pay normal income tax during the specified period and will be able to claim MAT Credit Entitlement. Had the Company not accounted MAT Credit Entitlement, long term loans & advances would have been ₹ 822.68 Lacs as against reported figure of ₹ 10,052.94 Lacs and Reserves & Surplus would have been ₹ (1,38,470.29) Lacs against reported figure of ₹ (1,29,240.03) lacs. This was also subject matter of our basis for qualified opinion in previous year.

Qualified Opinion

7. In our opinion, and to the best of our information and according to the explanations given to us except for the effects of the matter described in the basis for qualified opinion paragraph, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

8. **We draw attention to :**
- Title Deeds of properties pending for transfer as ownership is in dispute. (Refer Note No. 30.5).
 - Properties & Assets are under unauthorized occupation. (Refer Note No. 30.6)
 - Pending disputes with regard to leasehold lands along with claims of ₹ -29,158.02 lacs of mesne profits: (Refer Note No. -30.a.8 & 30.7).
 - Advance against sale of Assets pending court decisions/registration/possession (Refer Note No.30.8) and other property matters (Refer Note No. 30.9).
 - Provisions on account of Income Tax on Capital Gains ₹ 20746.92 Lacs, Wealth Tax ₹ 178.98 Lacs and Minimum Alternate Tax of ₹ 9230.26 Lacs have been provided for but not paid pending decision of Board for Industrial & Financial Reconstruction (BIFR).(Refer Note No. 30.2)
 - Non availability of books of accounts at a Sub Office, two closed mills and a showroom as reported by respective Branch Auditors, Impact of which on financial Statement cannot be ascertained now. (Refer Note No. 30.31.5)

Our opinion is not qualified in respect of these matters.

Other Matter

9. We did not audit the financial statements of branches/ sub offices included in the financial statements of the Company, which constitute total assets of ₹ 192466.35 Lacs and net assets of ₹ (59420.76 Lacs) as at 31st March, 2014, total revenue of ₹ 112201.75 Lacs and net loss of ₹ 23835.79 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements to the extent they have been derived from such financial statements is based solely on the report of such auditors.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
11. As required by section 227(3) of the Act, we report that
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - Subject to non availability of books of accounts in certain accounting units as referred to in para 8 (f) above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;*
 - The report on the accounts of the branch offices audited under section 228 by persons other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 of the Act and have been dealt with in preparing our report in the manner considered necessary by us;
 - Subject to non availability of books of accounts in certain accounting units as referred to in para 8 (f) above, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;*
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act; read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 except that company has not made disclosures under Segment Reporting in respect of manufacturing and trading of yarn, fabric & readymades having different risk & return profiles, as required under Accounting Standard – 17 of the Companies Accounting Standards Rules, 2006 This has no effect on loss of the year. (Refer Note No. 30.23)*
 - In terms of Notification No. GSR 829(E) dated 21.10.2003 issued by the Department of Company Affairs, Government of India, the provisions of Section 274 (1)(g) of the Companies Act, 1956 are not applicable to the Company.

For JAGDISH CHAND & CO.
Firm Registration Number: 000129N
Chartered Accountants

sd/-
(Praveen Kumar Jain)
Partner
Membership Number 85629

Place of signing: New Delhi
Date: 16th July, 2014



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph '10' of the Independent Auditors' Report to the Members of National Textile Corporation Limited on the financial statements for the year ended 31st March, 2014

- (i) (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of Fixed Assets, except in regard to:
- *In some mills, item wise cost and depreciation of assets as on 01.04.1974 are not available.*
 - *In some units, fixed asset register have not been updated.*
- (b) As explained to us, the Company has a programme of physically verifying all its fixed assets in a phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, a portion of the fixed assets were physically verified by the management during the year. The discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of account. However, no physical verification was carried out in respect of lands, buildings, bungalows, staff quarters and chawls which are in the possession of third parties or illegal occupants.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) According to the information given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore clauses (iii)(b) to (iii)(d) of Paragraph 4 of the Order are not applicable to the Company.
- (b) According to the information given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore clauses (iii) (f) to (iii)(g) of Paragraph 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories, fixed assets and with regard to the sale of goods and services *except in case of Southern Regional Office where the internal control procedures need to be strengthened over inventories in one unit.* Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in aforesaid internal control system.

- (v) (a) According to the information and explanations given to us, during the year, there were no transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lacs in respect of any party during the year.
- (vi) As, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under, paragraph 4(vi) of the order is not applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) Branch Auditor's have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that, prime facie, the prescribed accounts and records have been made and maintained *except in case of Kolkata Sub Office where no such records were made available to the Branch Auditors*. They have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) a) According to the information and explanation given to us and the records of the company examined by us, in our opinion, except for dues given below, the company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Sales tax, Service tax, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities. *The extent of the arrears of the statutory dues outstanding as at 31st March, 2014, for a period of more than six months from the date they became payable are as follows:*

Name of the Statute	Nature of The Due	Amount (₹ in Lakhs)	Period to which the amount relates
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	PF Contribution related to Pre Nationalization period & PF Liquidated Damages	538.89	NA
ESI Act , 1948	ESI Contribution, Interest & Liquidated Damages	232.41	NA
Central Sales Tax Act and Sales Tax Act of various States	CST, VAT & Local Taxes Interest on Sales Tax	57.61 1.08	NA NA
Central Excise Act, 1944 & Customs Act, 1962	Custom & Excise Duty	722.72	NA
Local Acts of various States	Water Tax	143.13	NA
	Municipal Tax	69.22	NA
	Interest on Professional Tax	9.92	NA
	Municipal Corporation Dues	56.73	NA
	Electricity charges	941.06	NA
Income Tax Act, 1961	Minimum Alternate Tax *	9230.26	2010-11 to 2012-13
	Capital Gain Tax *	20746.92	2010-11 to 2012-13
Wealth Tax Act, 1957	Wealth Tax *	178.98	NA

*Refer Note 30.2

Information in respect of period for which the 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 and the records of the Company examined by us, the particulars of disputed dues on account of income tax, sales tax, excise duty, service tax and other statutory dues that have not been deposited as at 31st March, 2014 by the Company on account of a dispute are as follows :-

(₹ in Lakhs)

Name of the Statute	Nature of the Due	Amount	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	527.78	NA	Appellate Authorities at various level of central excise Department, under appeal at Appellate Tribunal
	Excise Duty & Penalty	12.81	NA	Commissioner of Central Excise. (Appeals)
	Differential Excise Duty	1.19	NA	Commissioner of Central Excise. (Appeals)
ESI Act, 1948	ESI	40.85	NA	Court case for terminated employees, ESI Court
	Penalty & Damages of ESI	471.27	NA	Regional ESI Commissioner, ESI Authorities
	Post Take over & post Nationalization damages ESIC	1487.19	NA	Regional Deputy Director ESIC & ESI Court
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (includes Rs. 30.25 Lacs relating to Head office)	59.08	2006-07 to 2009-10 (Head office)	Court case for terminated employees, Appellate Tribunal, Kerala High Court
	Penalty & Damages of PF	1881.94	NA	Regional Provident Fund Commissioner, Provident Fund Commissioner
	Provident Fund Pre Take over dues	45.87	NA	Madras High Court
	Post Take over & post Nationalization damages PF	5119.13	NA	Central Provident Fund Commissioner
	Post Take over & post Nationalization damages (Disputed PF)	1413.27	NA	Regional Provident Fund Commissioner
Income Tax Act, 1961	Income Tax	78.94	NA	Appellate Authorities
Customs Act, 1962	Custom Duty	28.72	NA	Appellate Tribunal

Name of the Statute	Nature of the Due	Amount	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act and Sales Tax Act of various States	Sales Tax	829.05	NA	Pending Appeal , Appellate Authorities of Sales Tax Department
	CST	5062.25	NA	Chennai High Court
	VAT	204.33	NA	Chennai High Court
	UP Trade Tax	109.06	NA	Appeal pending with Appellate Authority
	TNGST,CST & Penalty	80.60	NA	Additional Appellate Assistant Commissioner
Local Acts of various States	Property Tax	214.45	NA	Tax Board of Rajasthan, Municipal Corporation
	Municipal Corporation Dues	131.91	NA	Local Authorities
	Professional Tax	20.12	NA	Professional Tax Authorities
Payment of Gratuity Act, 1972	Gratuity	8.51	NA	Labour Commissioner

Information in respect of period for which the dues relate has not been made available to us in many cases.

- (x) *The company's accumulated losses at the end of the financial year were more than fifty percent of its net worth. Further, the Company has incurred cash losses during the year ended 31st March, 2014 but not in the immediately preceding financial year ended 31st March, 2013.*
- (xi) *Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in payment of interest of ₹ 75.45 Lacs to a bank in previous years, which is outstanding as on 31st March, 2014. (Refer Note No. 30.31.6).*
- (xii) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the Company is not a chit fund / nidhi / mutual benefit funds/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4(xiii) of the Order is not applicable.
- (xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the company.
- (xvi) The Company has not raised any term loans during the year. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.



- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that during the year short term funds have not been used to finance long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end on which it is required to create security or charge. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by a public issue during the year. Accordingly, the provisions of Clause 4(xx) of the order are not applicable.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For JAGDISH CHAND & CO.
Firm Registration Number: 000129N
Chartered Accountants

Place of signing: New Delhi
Date: 16th July, 2014

sd/-
(Praveen Kumar Jain)
Partner
Membership Number 85629

Reply to the Audit Observations for the year 2013-14

S.No.	Auditor's Observation	Management's reply
1.	<p>MAT Credit Entitlement</p> <p>MAT Credit Entitlement of ₹ 9,230.26 Lacs shown as claimable as on 31st March, 2014 is not in accordance with Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, since no convincing evidence is available that the company will pay normal income tax during the specified period and will be able to claim MAT Credit Entitlement. Had the Company not accounted MAT Credit Entitlement, long term loans & advances would have been ₹ 822.68 Lacs as against reported figure of ₹ 10,052.94 Lacs and Reserves & Surplus would have been ₹ (1,38,470.29) Lacs against reported figure of ₹ (1,29,240.03) lacs. This was also subject matter of our basis for qualified opinion in previous year.</p>	<p>As per Revised Schedule VI, the MAT Credit Entitlement has been created in the books and shown as assets. As per Guidance Note on MAT issued by ICAI, The MAT Credit was created as an asset in view of the expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same will arise during the specified period of 10 years. The company is in the process to finalise the MDRS-14 and after implementation of the scheme, the company will generate operational profit in near future. For the last 4 years company was making net profit and it is also reasonably certain that due to expansion the company would be making profit in future.</p> <p>NTC being BIFR referred company and as per the revival scheme, CBDT is to consider to grant exemption to NTC from Wealth Tax, Tax on Sale of Assets, Section 41(1) of Income Tax Act and interest thereon for which case is pending before BIFR. However, provisions toward taxes under Income Tax Act are being regularly made.</p> <p>In view of above, the liability for MAT has been recognized during the previous years (No MAT liability has been provided in the current year due to losses) by Creating assets to that extent in view of the expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same will arise during the specified period of 10 years.</p> <p>In view of above, no reversal entry is required.</p>
2.	<p>Non compliance of AS – 17 (Segment Reporting)</p> <p>The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act; read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 except that company has not made disclosures under Segment Reporting in respect of manufacturing and trading of yarn, fabric & readymades having different risk & return profiles, as required under Accounting Standard – 17 of the Companies Accounting Standards Rules, 2006 This has no effect on loss of the year.</p>	<p>As per AS – 17, the segment reporting is required in case the business segment is distinguishable component but in our case the textile process is a continuous process starting from the input of cotton till the cloth is manufactured. The company is following the same practice for many years. Major textile mills are also treating textile as one broad segment only.</p> <p>However, the company has already taken the action towards the compilation of requisite data for management information for the identified segment and the same will be placed before the Board of Directors of the company after finalization of accounts of the year 2013-14.</p>

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 power to appoint Directors vests with the President of India. The Chairman shall be appointed by the President and the terms and conditions of his appointment shall be determined by the President. However, in addition to the Chairman, the President shall also appoint Managing Director, whole time Functional Directors and other Directors in consultation with the Chairman who shall not be liable to retire by rotation. No consultation will be necessary in case of Directors representing the Government.

In terms of the Article of the Company, the number of Directors of the Company shall not be less than seven and not more than fourteen. These Directors may be either whole time functional Directors or part time Directors.

2.2 Composition of Board

As on 31st March, 2014, the Board of Directors comprised of 3 Functional Directors and Director (HR) has Addl. Charge of Chairman & Managing Director (w.e.f.24.09.2013), and 5 Non-Executive Directors (2 Government Nominees, two Independent Directors and one Special Director, BIFR).

2.3 Board Meetings

During the year, Seven(7) Board Meetings were held on 22.05.2013, 27.06.2013, 14.08.2013, 22.10.2013, 18.12.2013, 27.02.2014 and 12.03.2014 respectively.

Details of number of Board Meetings attended by Directors, attendance at the last Annual General meeting, number of other Directorships etc. during the year 2013-14 were as follows :-

Sl. No.	Name of the Directors	Category of Directorship	No. of Board Meetings Attended During 2013-14	Attended at the last AGM	No. of other Director-ship as on 31.3.2014/ during tenure
1*	Sh.K.Ramachandran Pillai	C& MD	1	No	7
2*	Sh.R.K. Sharma	Dir.(Tech)	4	Yes	9
3	Sh.R.K. Sinha	Dir.(HR)	7	Yes	6
4	Sh.Alokendra Banerjee	Dir.(Mktg.)	6	Yes	6
5	Sh.P.C. Vaish	Dir.(Fin.)	7	Yes	7
6	Ms.Anita Agnihotri	Govt.Nominee	2	No	5
7*	Sh.Sujit Gulalti	Govt.Nominee	3	Yes	2
8*	Ms. Pushpa Subrahmanyam	Govt.Nominee	3	No	NIL
9	Sh. Arun Ramanathan	Spl. Director, BIFR	2	No	8
10	Sh.Raman Sidhu	Independent Director	5	Yes	1
11	Sh. Amarendra Mahapatra	Independent Director	7	Yes	Nil

Sl.No.8(*) appointed on 13.12.2013. Sl.No.1(*) Cessation of Directorship w.e.f. 31.05.2013, Sl. No.2 (*) Cessation of Directorship w.e.f. 30.11.2013 and Sl. No.7(*)Cessation of Directorship w.e.f. 13.12.2013.

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 and Budgets and updates.
- Capital Budget and updates.
- Annual Account, 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, formed an Audit Committee of its Board of Directors w.e.f. 28/8/2001 and the present Audit Committee re-constituted by the Board in its 344th Meeting held on 18th December, 2013 consists of two independent Director, one Spl. Director (BIFR) and One Functional Director. One Independent Director is the Chairman of Audit Committee. They are:-

1.	Shri Raman Sidhu	Chairman	Non-official part-time Director
2.	Shri Arun Ramanathan	Member	Special Director (BIFR)
3.	Shri Amarendra Mahapatra	Member	Non-official part-time Director
4.	Shri Alokendra Banerjee	Member	Director (Marketing)

Shri P.C. Vaish, Director(Finance), attends and participates in the Audit Committee Meeting as Invitee being Director Incharge of Finance, but not has the right to vote, as per Section 292-A of the erstwhile Companies Act,1956 (now section 177 of the Companies Act, 2013).

Head of Internal Audit and the Statutory Auditors are invited to the Audit Committee Meetings. Company Secretary is the Secretary to the Committee, 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 of the Audit Committee

Six Meetings of the Audit Committee were held during the financial year 2013-14 on 24.06.2013, 11.09.2013, 22.11.2013, 13.01.2014, 10.03.2014 & 19.03.2014. 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 Raman Sidhu	Chairman	6 (Six)
2	Sh. Arun Ramanathan	Member	2 (Two)
3	Shri Amarendra Mahapatra	Member	6 (Six)
4*	Sh. R.K.Sharma	Member	3 (Three)
5	Sh.Alokendra Banerjee	Member	3 (Three)

S.No.4(*) Cessation of membership on 30.11.2013.

(c) Powers

The Audit Committee shall have 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 (2AA) of section 217 of the erstwhile Companies Act, 1956.
 - 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. Sub Committee:

A H.R. Sub-Committee was constituted by the Board of Directors of NTC in its 318th meeting held on 12th June, 2009 and the present H.R. Sub-Committee re-constituted by the Board in its 339th meeting held on 04/02/2013 consists of following members. The Committee has been constituted to prepare a personnel/HR policy for the company and discuss other important H/R matters and give its recommendations to the Board.

Four Meetings of the H.R. Sub-Committee were held during the financial year 2013-14.

The present H.R. Sub-Committee consists of following:-

SI. No.	Name of the Directors	Status	Designation
1.	Shri Amarendra Mahapatra	Non-official part-time Director	Chairman
2.	Shri Sujit Gulati	JS-MoT	Member
3	Shri R.K. Sharma	Director (Technical)	Member
4.	Shri Alokendra Banerjee	Director (Marketing)	Member
5.	Shri P.C. Vaish	Director (Finance)	Member
6.	Shri R.K. Sinha	Director (Human Resources)	Member Secretary

S.No.2(*) Cesaation of membership on 13.12.2013 & S.No.3(*) Cesaation of Membership on 30.11.2013.

(b) Marketing Sub Committee:

A Marketing Sub-Committee was constituted by the Board of Directors of NTC in its 340th meeting held on 22/05/2013 and the present Marketing Sub-Committee re-constituted by the Board in its 347th meeting held on 30/05/2014 consists of following members. The Committee has been constituted to take forward the various marketing initiatives and present the same before the Board. The Sub

Committee also have periodic discussions in various ongoing marketing activities for the company and discuss other important marketing matters and give its recommendations to the Board.

Sl. No.	Name of the Directors	Status	Designation
1.	Shri Raman Sidhu	Non-official part-time Director	Chairman
2.	Shri Ram Singh	Director, MOT	Member
3.	Shri Adarsh Goyal	Outside Expert from Govt. CPSU	Member
4.	Shri Suman Chatterjee	Outside Expert from Private Sector	Member
5.	Shri P.C. Vaish	Director (Finance)	Member
6.	Shri Alokendra Banerjee	Director (Marketing)	Member Secretary

(c) 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 which consists of following members. The Committee has been constituted to oversee the implementation of CSR and sustainability activities / projects in the Company.

S.No.	Name / Post of the of the Directors	Position in Committee
1.	Shri Raman Sidhu Independent Director	Chairman
2.	Director (HR)	Member
3.	Director (Finance)	Member
4.	Director (Technical)*	Member

* Till the joining of new Director(Technical), Director (Marketing) will attend the meeting as Member

5. Remuneration of Directors

The remuneration of the Functional Directors is decided by the Government of India. Sitting Fee payable to the Non-official part-time Director is fixed by Board of Directors of NTC in pursuance of DPE guidelines and Companies Act. Accordingly, the Board had decided the revised payment of sitting fee of ₹ 12,000/- (increased from ₹ 10000/-) for each meeting of the Board and Committees/Sub Committees of the Board, to each Non-official part-time Director in the 340th meeting held on 22.05.2013, in view of applicability of TDS on the same.

Details of remuneration of Functional Directors of the Company paid for the financial year 2013-14.

Sl. No.	Name of the Directors	Salary ₹	Benefits ₹	Total ₹
1	Sh. K. Ramachandran Pillai (ceased to be director w.e.f. 31.05.2013)	3,44,308.00	5,42,777.00	8,87,085.00
2	Shri R.K.Sharma (ceased to be director w.e.f. 30.11.2013)	12,79,062.00	5,30,594.00	18,09,656.00
3	Shri R.K.Sinha	19,12,050.00	1,64,722.00	20,76,772.00
4	Shri Alokendra Banerjee	16,42,050.00	12,00,108.00	28,42,158.00
5	Shri P.C.Vaish	16,42,050.00	9,99,148.00	26,41,198.00
	Total	68,19,520.00	34,37,349.46	1,02,56,869.00

Details of sitting fee paid to Independent /Special Director(BIFR) during the financial year 2013-14 are given below:-

Sl. No.	Name of the Independent Directors/ Special Director (BIFR)	Sitting Fees for Board Meetings (₹)	Sitting Fees for Committee Meetings (₹)	Total (₹)
1	Shri Raman Sidhu	59,111.00	72,000.00	1,31,111.00
2	Shri Amarendra Mahapatra	83,111.00	1,20,000.00	2,03,111.00
3	Shri Arun Ramanathan	23,111.00	24,000.00	47,111.00
	Total	1,65,333.00	2,16,000.00	3,81,333.00

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 result 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 August 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 a variety of parameters both financial and non-financial in nature. The non-financial parameters compose an appropriate mix of Dynamic sector specific and Enterprises specific parameters. 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 held are as under:-

Sl. No.	Financial Year	Date	Time	Location
1	2012-13	14.8.2013	4.00 P.M.	Core-IV, Scope Complex,
2	2011-12	27.9.2012	3.00 Noon	Lodhi Road,
3	2010-11	23.9.2011	12.00 P.M.	New Delhi – 110 003

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 Non-Executive Directors held any share of the Company (except two who hold 1 share each, value of ₹ 1000/- each as Nominee Shareholders of Government of India).

9. Shareholding Pattern of NTC

As on 31st March, 2014, 99.76% shares of National Textile Corporation Limited are held by President of India and balance 0.24% are held by various State Governments.

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

NTC Ltd. at present having 5 JVCs/subsidiaries. The JVCs/ subsidiaries are located at:-

Sl. No.	Name of the JVC/Subsidiary 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 - 400 023
iv)	Aurangabad Textiles and Apparel Parks Ltd.	Aurangabad Textiles Mills, Kothwalpura, Aurangabad Off. 63, T.B. Kadam Marg, Mumbai - 400 023
v)	India United Textile Mill Ltd.	Dr. Ambedkar Road, Lalbaug, Parel, Mumbai – 400 012

11. Code of Conduct, Fraud Prevention Policy and Whistle Blower Policy

The Company is in the process of introducing a Code of Conduct, applicable to the Board Members as well as the Senior Management personnel. The Company will also introduce Fraud Prevention Policy and Whistle Blower Policy, shortly.

NITYANAND SINGH & CO.
COMPANY SECRETARIES

Certificate of Compliance of Conditions of Corporate Governance

To

The Members of National Textile Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by National Textile Corporation Limited for the Financial Year ended 31st March 2014, as stipulated in guidelines on Corporate Governance for CPSE's issued by Department of Public Enterprises (DPE).

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 with the conditions of Corporate Governance as stipulated in the above guidelines on Corporate Governance for CPSE's issued by Department of Public Enterprises (DPE).

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 Secretary)

Sd/-

Nityanand Singh

Proprietor

FCS No. 2668 CP No. 2388

Place: New Delhi

Date: 4th September, 2014



एम.ए.बी-II / बीमा / A/cs/NTC/9-17/2014-15/Vol-II/268

गोपनीय

संख्या / No. :

भारतीय लेखा तथा लेखापरीक्षा विभाग

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा

एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II

नई दिल्ली

**OFFICE OF THE INDIAN AUDIT &
ACCOUNTS DEPARTMENT**

**PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER, AUDIT BOARD-II,
NEW DELHI**

दिनांक / DATE : 19 - 09 - 2014

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,

नेशनल टेक्सटाइल कारपोरेशन लिमिटेड,

कोर-4, स्कोप काम्लेक्स,

7, लोधी रोड,

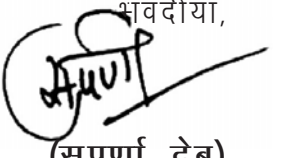
नई दिल्ली-110003

विषय : कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च 2014 को समाप्त वर्ष के लिए नेशनल टेक्सटाइल कारपोरेशन लिमिटेड, के वार्षिक लेखाओं पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च 2014 को समाप्त हुए वर्ष के लिए नेशनल टेक्सटाइल कारपोरेशन लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की शून्य टिप्पणियाँ अग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

संलग्नक : यथोपरि

भावदीया,

(सुपर्णा देब)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-II
नई दिल्ली



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL TEXTILE CORPORATION LTD FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of National Textile Corporation Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 16 July 2014.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of National Textile Corporation Limited for the year ended 31 March 2014. 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 auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

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

(Suparna Deb)

Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II,
New Delhi

Place: New Delhi

Dated: 19/09/2014



BALANCE SHEET AS AT 31ST MARCH, 2014

Amount ₹ in Lacs

Particulars	Note No.	Figures as at the end of the current reporting period 31-03-2014	Figures as at the end of the previous reporting period 31-03-2013
I) EQUITY AND LIABILITIES			
1. Shareholders Funds			
a) Share Capital	2	306,216.01	306,216.01
b) Reserve & Surplus	3	(129,240.03)	(111,668.98)
Sub Total (1)		176,975.98	194,547.03
2. Non Current Liabilities			
a) Deferred Tax Liabilities/Assets (Net)	4	-	-
b) Other Long Term Liabilities	5	4,267.10	4,285.55
c) Long Term Provisions	6	13,166.08	13,094.68
Sub Total (2)		17,433.18	17,380.23
3. Current Liabilities			
a) Short Term Borrowings	7	2,156.59	1,365.27
b) Trade Payables	8	26,542.70	21,628.86
c) Other Current liabilities	9	82,333.80	78,831.51
d) Short Term Provisions	10	34,559.35	34,554.09
Sub Total (3)		145,592.44	136,379.73
TOTAL (1+2+3)		340,001.60	348,306.99
II. ASSETS			
1. Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	11 (I)	123,031.42	90,643.43
ii) Intangible Assets	11 (II)	49.26	85.81
iii) Capital Work in Progress		1,794.81	40,239.83
Sub Total (a)		124,875.49	130,969.07

Particulars	Note No.	Figures as at the end of the current reporting period 31-03-2014	Figures as at the end of the previous reporting period 31-03-2013
b) Non Current Investments	12	1,811.97	1,811.82
c) Long Term Loans and Advances	13	10,052.94	10,092.14
d) Other Non Current Assets	14	3,344.24	3,474.47
Sub Total (1)		140,084.64	146,347.50
2. Current Assets			
a) Inventories	15	33,675.06	25,741.17
b) Trade Receivables	16	6,926.30	6,488.45
c) Cash and Bank Balances	17	134,857.25	147,710.66
d) Short Term Loans and Advances	18	11,899.98	10,886.71
e) Other Current Assets	19	12,558.37	11,132.50
Sub Total (2)		199,916.96	201,959.49
TOTAL (1+2)		340,001.60	348,306.99

Significant Accounting Policies & Notes to the Financial Statements

1 to 30

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Sd/-
Pankaj Agarwal
Company Secretary

Sd/-
P. C. Vaish
Director (Finance)

As per our report of even date attached
For **Jagdish Chand & Co.**
Chartered Accountants
(Firm Registration No. 000129N)

Sd/-
R. K. Sinha
Chairman & Managing Director

Sd/-
(Praveen Kumar Jain)
(Partner)
Membership No. 085629

Place : New Delhi
Date : 16th July, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Amount ₹ in Lacs

Particulars	Note No.	Figures for the current	Figures for the previous
		reporting period 2013-14	reporting period 2012-13
I) Revenue from operations (Gross)	20	110,373.31	102,596.95
Less: Excise duty		(9.78)	(8.53)
Revenue from operations (Net)		110,363.53	102,588.42
II) Other Income	21	15,852.35	20,680.61
III) Total Revenue		126,215.88	123,269.03
IV) EXPENSES			
Cost of Materials Consumed	22	66,799.42	52,431.57
Purchase of Stock in Trade		7,136.56	8,060.96
Change in Inventories	23	(7,489.17)	(2,780.88)
Employees Benefit Expenses	24	28,217.39	26,766.94
Finance Costs	25	5,365.79	4,976.28
Depreciation and Amortization Expenses		11,246.07	9,263.00
Manufacturing, Administrative and Selling & Distribution Expenses	26	32,455.03	29,987.84
Provisions	27	131.84	747.09
TOTAL EXPENSES		143,862.93	129,452.80
V) Profit/ (Loss) before exceptional, extraordinary items and tax (III - IV)		(17,647.05)	(6,183.77)
VI) Prior Period Income/(Expenses).	28	(157.47)	4,580.76
VII) Exceptional Items			
Debts written off		(721.34)	(127.40)
Old Assets written off		(41.25)	-
Provisions Written Back		946.94	192.27
VIII) Profit/(Loss) before extraordinary items and Tax (V+VI+VII)		(17,620.17)	(1,538.14)
IX) Extraordinary Items	29	49.11	10,162.52
X) Profit/ (Loss) before Tax		(17,571.06)	8,624.38

Particulars	Note No.	Figures for the current reporting period 2013-14	Figures for the previous reporting period 2012-13
XI) Tax Expenses			
Current Taxes		-	1,700.26
MAT Credit Entitlement		-	(1,700.26)
a) Net Current Taxes		-	-
b) Deffered Taxes		-	-
c) Tax Adjustment of Previous years (Net)		-	112.68
XII) Profit/(Loss) for the period for the continuing operations (X - XI)		(17,571.06)	8,511.70
XIII) Earning per equity share (Par value ₹ 1000/- per share)			
1. Basic (in ₹)		(57.38)	27.80
2. Diluted (in ₹)		(57.38)	27.80
Earning per equity share excluding Extraordinary Items			
1. Basic (in ₹)		(57.54)	(5.39)
2. Diluted (in ₹)		(57.54)	(5.39)

Significant Accounting Policies & Notes to the Financial Statements

1 to 30

Sd/-
Pankaj Agarwal
Company Secretary

Sd/-
P. C. Vaish
Director (Finance)

As per our report of even date attached
For **Jagdish Chand & Co.**
Chartered Accountants
(Firm Registration No. 000129N)

Sd/-
R. K. Sinha
Chairman & Managing Director

Sd/-
(Praveen Kumar Jain)
(Partner)
Membership No. 085629

Place : New Delhi
Date : 16th July 2014



CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

Amount ₹ in Lacs

Particulars	Sources/(Applications)	
	For the year "2013-14"	For the year "2012-13"
A) Net Profit before Taxation, Exceptional and Extraordinary Items	(17,647.05)	(6,183.77)
B) Adjustments for		
i) Depreciation and Amortizations	11,246.07	9,263.00
ii) Foreign exchange rate difference (Net)	(31.41)	(115.28)
iii) Interest and Other Income	(13,852.88)	(17,040.92)
iv) Dividend Income	(645.06)	(694.83)
v) Finance Charges	5,214.63	4,854.32
vi) Provisions	131.84	747.09
C) Operating Profit before working capital Changes (A+B)	(15,583.86)	(9,170.39)
D) Cash flow from Working capital changes		
i) Increase/Decrease in Inventory	(7,933.89)	(118.48)
ii) Increase/Decrease in Trade Receivables	(437.85)	(2,345.90)
iii) Increase/Decrease in other current Assets	(1,295.64)	5,681.98
iv) Increase/Decrease in Loans and Advances	(950.92)	119.46
v) Increase/Decrease in Trade Payable/ Current Liabilities/ Provisions	4,126.84	(7,385.34)
vi) Provisions	(131.84)	(747.04)
vii) Other Bank Balances	5,082.95	(6,565.17)
E) Cash generated from Operations (C+D)	(17,124.21)	(20,530.88)
F) Adjustments for Taxation, Exceptional and Prior Period Items		
i) Extraordinary Items	(427.78)	(1,643.03)
ii) Prior Period Items	(157.47)	4,580.76
iii) Provision Written Back	946.94	192.27
iv) Bad Debts, Old Assets written off	(762.59)	(127.40)
G) Net Cash Flow from Operating Activities (E+F)	(17,525.11)	(17,528.28)
H) Cash Flow from Investing activities		
i) Purchase of Fixed Assets	(5,285.79)	(28,226.33)
ii) Sale of Fixed Assets and FSI	618.46	2,321.32
iii) Advance Against sale of Assets	(12.54)	-
iv) Increase/Decrease Other Investments	(0.15)	-
v) Sundry Creditors for Machinery	(258.39)	(753.59)
vi) Foreign exchange rate difference (Net)	31.41	115.28
vii) Interest Income	13,852.88	16,585.17
viii) Dividend received	645.06	694.83
ix) Extraordinary Items (Surrender of Rights & Others)	(8.26)	75.00
Cash Flow from Investing activities (Sub Total - H)	9,582.68	(9,188.32)

I Cash Flow from Financing Activities		
i) Increase/Decrease in Secured Loans	791.32	673.38
ii) Unsecured Loans Received		3.83
iii) Finance Charges	(619.35)	(377.79)
Cash Flow from Financing Activities (Sub Total - I)	171.97	299.42
J) Net Change in Cash and Cash Equivalents (G+H+I)	(7,770.46)	(26,417.18)
Cash and Cash Equivalents as at 1st April (Opening Balance)	19,990.56	46,407.74
Cash and Cash Equivalents as at 31st March (Closing Balance)	12,220.10	19,990.56
Notes:		
1. CASH AND CASH EQUIVALENTS		
Balance with Banks		
In Current A/C	5,350.14	5,017.36
In Savings A/C	-	1.60
In Fixed Deposits (having Maturity within 3 Months)	6,632.59	14,814.08
Cheques in Hand	160.09	83.51
Stamps in Hand	0.03	0.03
Remittances in transit	17.32	22.25
Cash in Hand	56.86	50.70
Employees Security Deposit	2.77	0.73
Balance with Post Office	0.30	0.30
	12,220.10	19,990.56
2. Being a Manufacturing Company Financial Charges paid is included in Financial activity and Income from Investment in Banks etc is shown under Investment activity as per AS-3		

Sd/-
Pankaj Agarwal
Company Secretary

Sd/-
P. C. Vaish
Director (Finance)

As per our report of even date attached
For **Jagdish Chand & Co.**
Chartered Accountants
(Firm Registration No. 000129N)

Sd/-
R. K. Sinha
Chairman & Managing Director

Sd/-
(Praveen Kumar Jain)
(Partner)
Membership No. 085629

Place : New Delhi
Date : 16th July 2014

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- i) In compliance with the accounting standards referred to in Section 211(3C) and the other relevant provisions of the Companies Act, 1956 to the extent applicable, the company follows the accrual system of accounting in general and the historical cost convention in accordance with the Generally Accepted Accounting Principles(GAAP),except where otherwise stated.
- ii) The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognised prospectively, when revised.
- iii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act,1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

1.2 FIXED & INTANGIBLE ASSETS

- i) Fixed Assets are stated at cost, net of Excise and Custom duty where MODVAT credit on capital goods is availed, except taken over as a result of nationalisation, which are stated at values then approved by the Board and revalued assets at revalued price less accumulated depreciation and impairment loss, if any.
- ii) Cost includes freight and insurance, duties and taxes, installation and commissioning charges and other charges till the date of commissioning. In case of imported fixed assets, it includes, in addition to above, other charges payable as per foreign exchange contract.
- iii) Intangible Assets–Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on equated basis normally over a period of 5 (five) years and for other assets having more life, the periodicity may be decided after seeking approval from the Board.

1.3 INVESTMENTS

- i) Long term investments are stated at the cost of acquisition. However, provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.
- ii) Current investments are stated at the lower of cost or fair market value.

1.4 DEPRECIATION & AMORTISATION

- i) Depreciation on fixed assets (other than those costing up to ₹ 5000/-) has been provided pro-rata on straight line method, in accordance with the circular No.14(93) File No.1/12/92-CL-VV dated 20th December 1993 of the Government of India, Ministry of Law Justice and Company Affairs, Department of Company Affairs, at rates specified in Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on fixed assets costing ₹ 5000/- or less at the time of acquisition has been provided at 100% for the full year irrespective of the date of acquisition.
- iii) Premium paid on leasehold lands/ properties are amortized over the respective lease period.

1.5 INVENTORIES

Inventories are valued as follows:

- i) **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, Retail Showrooms, and duty paid godowns:** Cost including excise duty 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.
- 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: The net realizable value mentioned above means the net realizable value prevalent on the close of the financial year. Wherever, the net realizable value is not available, cost is adopted.

1.6 EMPLOYEE BENEFITS

- i) Gratuity/Leave salary and other Terminal benefits are accounted for on the basis of actuarial valuation at the end of the year.
- ii) Contributions to Provident Fund, is recognized as an expense in the profit and loss account of the year in which the related service is rendered.

1.7 FOREIGN EXCHANGE TRANSACTIONS

- i) Foreign currency transactions in respect of non-monetary items like Fixed Assets, Inventories and Investments in Equity Shares etc. are recorded at the exchange rate prevailing on the date of transactions.
- ii) Monetary items of assets and liabilities like cash, receivables, payables etc. are translated on reporting date at the closing rate or at a fixed rate where exchange rate is booked in advance. Exchange rates difference during the year are recognized in the Profit and Loss account.

1.8 GOVERNMENT GRANTS

The grant received is accounted for on cash basis. The balance of un-utilised grant at the year end is shown as Current Liability.

1.9 CENVAT and VAT

CENVAT and VAT are accounted for by reducing purchase cost of related materials, in cases, where credit for the same is availed.

1.10 REVENUE RECOGNITION

- i) Sales Revenue is recognized, in case of direct sale on raising of invoice and delivery of goods and in respect of depot/ consignment sales, revenue is recognized on the basis of "Accounts Statement" from Depot/Consignment Agent confirming the sale. Sales to DGS&D are accounted for at provisionally quoted rates and the difference, if any, in finalized rates is accounted in the year in which rates are finalized.
- ii) Purchase of Raw Materials is accounted for on invoice value except in the case of supplies from Govt. Agencies where it is valued on the basis of Proforma invoice in the absence of invoice.
- iii) Export sales are accounted for at FOB value basis.

1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.12 EARNINGS PER SHARE

Basic earning per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and diluted potential equity shares outstanding during the year.

1.13 PROVISION FOR CURRENT & DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provision of Income Tax Act, 1961. Deferred tax resulting from “Timing Differences” between the book and taxable profit is accounted for using the tax rate and laws that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax assets are recognized and carried forward only to that extent for which there is a reasonable certainty that the assets will be realized in future.

1.14 BORROWING COST

Borrowing costs, that are attributable to the acquisition of qualifying assets, till the date on which assets is put to use/commissioned are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue in the period they are incurred.

* * *

NOTE NO. — 2

SHARE CAPITAL

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
Authorised		
{50000000 Equity Shares (Previous Year 50000000 Equity Shares) of ₹ 1000/- each}	500,000.00	500,000.00
Issued, Subscribed & Paid up		
{30621601 Equity Shares (Previous Year 30621601 Equity Shares) of ₹1000/- each of equal rights}	306,216.01	306,216.01
Total	306,216.01	306,216.01

2.1 Details of Shareholders holding more than 5 percent shares

Government of India

No. of Shares	30,548,825	30,548,825
Percentage	99.76%	99.76%

2.2 Rights, Preferences and restrictions attached to Shares:

Equity shares: The Company has issued one class of equity shares having par value of ₹ 1000/- per share. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE NO. — 3

RESERVE AND SURPLUS

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. Capital Reserve		
Balance at the beginning of the year	345,590.26	345,580.26
Additions/ (Deductions) during the Year	0.01	10.00
Balance at the end of the year	345,590.27	345,590.26
02. Revaluation Reserve		
Balance at the beginning of the year	16,722.89	16,722.89
Additions/ (Deductions) during the Year	-	-
Balance at the end of the year	16,722.89	16,722.89
03. Capital Subsidy		
Balance at the beginning of the year	-	10.00
Additions/(Deductions) during the Year	-	(10.00)
Balance at the end of the year	-	-
04. Special Reserve u/s 36 (i) (viii) of the Income Tax Act		
Balance at the beginning of the year	242.48	242.48
Additions/ (Deductions) during the Year	-	-
Balance at the end of the year	242.48	242.48
05. Surplus		
Balance at the beginning of the year	(474,224.61)	(482,736.31)
Add: Profit/(Loss) for the Year	(17,571.06)	8,511.70
Balance at the end of the year	(491,795.67)	(474,224.61)
TOTAL	(129,240.03)	(111,668.98)

NOTE NO. – 4

DEFERRED TAX LIABILITIES/ ASSETS (NET)

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
DEFERRED TAX ASSETS		
A) Unabsorbed Depreciation	1585.09	970.89
B) Carried Forward Losses	4041.55	2,902.63
C) Provision for doubtful Debts and Advances	7514.33	7,762.20
TOTAL	13140.97	11,635.72
DEFERRED TAX LIABILITY		
A) Depreciation	13140.97	11,635.72
NET	-	-

4.1 As required by Accounting Standard - 22 in view of existence of carried forward losses and unabsorbed depreciation under tax laws, Deferred tax Assets have been recognised only to the extent they are virtually certain to be realised.

NOTE NO. – 5

OTHER LONG TERM LIABILITIES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. Trade Payables		
Sundry Creditors for Raw Material	-	-
Sundry Creditors for Stores, Spare and Tools	-	-
Other Trade Payable	-	-
Sub Total (1)	-	-
02. Others		
Sundry Creditors for Machinery	-	-
Trade Deposits	130.75	121.00
Earnest Money/Security Deposit	324.00	319.40
Employees Security Deposit	7.12	1.53
Employee's Family Welfare Fund Deposits/Securities	73.35	62.78
Others	3,731.88	3,780.84
Sub Total (2)	4,267.10	4,285.55
TOTAL (1+2)	4,267.10	4,285.55

NOTE NO. – 6

LONG TERM PROVISIONS

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
a) Provisions for Employee Benefits		
Gratuity	10,925.01	10,831.80
Leave Salary/ Wages	2,131.28	2,137.80
LTC	32.77	40.61
Terminal Benefits	77.02	84.47
TOTAL	13,166.08	13,094.68

(Refer to Note No. 30.22)

NOTE NO. – 7

SHORT TERM BORROWINGS

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. SECURED		
Cash Credit from Banks	315.88	186.18
Documentary Bill Purchase from Bank (Secured by Hypothecation of Stores, Raw Material, Finished Goods, Work in Progress and Trade Debts)	1,840.71	1,179.09
TOTAL	2,156.59	1,365.27

(Refer to Note No. 30.31.6 for default in payment of interest on secured short term borrowings)

NOTE NO. – 8

TRADE PAYABLES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
Sundry Creditors for Raw Material	17,316.93	13,157.24
Sundry Creditors for Stores, Spare and Tools	575.04	669.48
Hank Yarn obligations	3.88	0.11
Sundry Creditors - Micro Small & Medium Enterprises (Refer to Note No. 30.29)	33.90	38.23
Other Trade payables	8,612.95	7,763.80
TOTAL	26,542.70	21,628.86

NOTE NO. – 9

OTHER CURRENT LIABILITIES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
Sundry Creditors for Machinery	770.63	1,029.02
Trade Deposits	743.16	677.20
Earnest Money/Security Deposit	11,223.44	11,512.27
Advance against Sale of Assets	1,204.51	1,217.05
Current Account with Subsidiary Companies	0.58	-
Interest accrued and due	25,648.78	21,053.50
Loan from Government of India	27,000.00	27,000.00
Commissioner of Payment in respect of Nationalised Mills	288.37	288.37
Controlled Cloth subsidy Balance	707.15	707.15
Others	14,747.18	15,346.95
TOTAL	82,333.80	78,831.51

(Refer to Note No. 30.15, 30.17 & 30.21)

NOTE NO. – 10

SHORT TERM PROVISIONS

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
a) Provisions for Employee Benefits		
Gratuity	2,320.33	2,337.59
Leave Salary/ Wages	766.21	836.42
Sick Leave	1,296.56	1,174.25
LTC	5.47	8.47
Terminal Benefits	14.62	19.27
Sub-Total (a)	4,403.19	4,376.00
b) Other Provisions		
Income Tax	20,746.92	20,746.92
Income Tax under Minimum Alternate Tax - MAT	9,230.26	9,253.41
Wealth Tax	178.98	177.76
Sub-Total (b)	30,156.16	30,178.09
TOTAL (a +b)	34,559.35	34,554.09

(Refer to Note No. 30.2 & 30.22)

I) TANGIBLE ASSETS

Amount ₹ in Lacs

S.No	PARTICULARS	Gross Block				Depreciation			Net Block		
		As at 01.04.2013	Additions during the Year	Adjustments/ Sales during the Year	Cost as at 31.03.2014	As at 01.04.2013	For the Year	Adjustments/ Sales during the Year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Land - Free Hold	9,746.07	-	-	9,746.07	-	-	-	-	9,746.07	9,746.07
2	Land - Lease Hold	1,504.15	0.65	-	1,504.80	208.56	(0.04)	50.17	258.77	1,246.03	1,295.59
3	Building - Factory	19,866.73	8,897.94	-	28,764.67	2,731.26	0.55	830.49	3,561.20	25,203.47	17,135.47
4	Building - Non Factory	1,472.40	943.55	-	2,415.95	335.43	(14.08)	28.38	377.89	2,038.06	1,136.97
5	Tube Well	91.51	2.81	-	94.32	14.85	0.21	3.20	17.84	76.48	76.66
6	Plant & Machinery	100,162.32	31,436.50	186.72	131,412.10	42,242.10	(15.71)	9,925.68	52,183.49	79,228.61	57,920.22
7	Furniture & Fixtures	790.59	245.90	11.01	1,025.48	303.87	15.81	45.35	333.41	692.07	486.72
8	Vehicles	215.14	3.09	8.22	210.01	84.31	5.54	17.06	95.83	114.18	130.83
9	Electrical Fittings	2,788.33	1,949.39	4.46	4,733.26	843.12	74.80	213.32	981.64	3,751.62	1,945.21
10	Office & Factory Equipments	489.16	40.58	10.35	519.39	264.97	9.64	15.36	270.69	248.70	224.19
11	Bio Gas Plant	0.16	-	-	0.16	0.16	0.02	0.02	0.16	-	-
12	Computer	488.54	40.55	1.20	527.89	354.65	1.28	48.21	401.58	126.31	133.89
13	Railway	0.69	-	-	0.69	0.65	-	-	0.65	0.04	0.04
14	Lab Equipment	605.26	157.43	(17.18)	779.87	222.03	(6.40)	29.45	257.88	521.99	383.23
15	Silver Coins/ Vessels	51.60	11.12	4.46	58.26	23.33	4.31	1.52	20.54	37.72	28.27
16	Lives Stock	0.07	-	-	0.07	-	-	-	-	0.07	0.07
	TOTAL	138,272.72	43,729.51	209.24	181,792.99	47,629.29	75.93	11,208.21	58,761.57	123,031.42	90,643.43
	Previous Year	118,552.99	20,044.03	324.30	138,272.72	38,684.03	280.03	9,225.29	47,629.29	90,643.43	79,868.96

Amount ₹ in Lacs

II) INTANGIBLE ASSETS

S.No	PARTICULARS	Gross Block				Depreciation			Net Block		
		As at 01.04.2013	Additions during the Year	Adjustments/ Sales during the Year	Cost as at 31.03.2014	As at 01.04.2013	For the Year	Adjustments/ Sales during the Year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Softwares	188.15	0.35	-	188.50	103.03	37.56	-	140.59	47.91	85.12
3	Brands/ Trademarks	1.00	0.96	-	1.96	0.31	0.30	-	0.61	1.35	0.69
	TOTAL	189.15	1.31	-	190.46	103.34	37.86	-	141.20	49.26	85.81
	Previous Year	188.03	1.12	-	189.15	65.63	37.71	-	103.34	85.81	122.40

(Refer to Note No. 30.5 to 30.11)

During the year 1997-98, the land was revalued in respect of eight unit mills situated within the limits of Coimbatore Municipal Corporation as per the Valuation Report dated 17.05.1997 of the approved valuer based on the going market rate. As against the book value of ₹16.96 lakhs, the land has been revalued at Rs.19225.96 lakhs. The entire surplus of ₹19209.00 lakhs on re-valuation has been credited to "Land Revaluation Reserve". Balance in the Land Revaluation Reserve as at 31st March 2014 Rs.16722.89 lakhs represents the balance surplus after withdrawal of proportionate Revaluation Reserve of sale of land during 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 & 2008-09.



NOTE NO. – 12

NON CURRENT INVESTMENTS

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. Trade Investments (Unquoted)		
Investment in Subsidiary Companies	1,974.31	1,974.31
Sub Total (1)	1,974.31	1,974.31
02. Other Investments		
Quoted		
Investments in Equity Instruments	0.48	0.48
Investments in Government or Trust Securities	0.07	0.07
Un-Quoted		
Investments in Equity Instruments	15.44	15.29
Investment in Associates	145.42	145.42
Investments in Government or Trust Securities	0.09	0.09
Investments in debentures or Bonds	0.05	0.05
Other Non Current Investments	2.52	2.52
Sub Total (2)	164.07	163.92
Total (1+2)	2,138.38	2,138.23
Less: Provision for diminution in value of Investment*	(326.41)	(326.41)
NET	1,811.97	1,811.82

(Refer to Note No. 30.12 & Annexure - I)

*Includes ₹ 145.42 Lacs (Previous Year ₹ 145.42 Lacs) for the investments in Associate and ₹ 165.80 Lacs (Previous year ₹ 165.80 Lacs) for the Investment in Subsidiary Company

NOTE NO. – 13

LONG TERM LOANS AND ADVANCES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. Capital Advances		
Secured	-	-
Un Secured (Considered good)	223.02	342.48
Un Secured (Considered doubtful)	32.34	0.86
Less: Provision for Doubtful	(32.34)	(0.86)
02. Security Deposits	8.37	7.59
03. Due from Employees		
Secured	0.75	0.79
Un Secured (Considered good)	37.79	42.80
Un Secured (Considered doubtful)	45.80	505.38
Less: Provision for Doubtful	(45.80)	(505.38)
Interest accrued on above loan	2.29	2.98

04. Loans & Advances to Related Parties		
Secured	-	-
Un Secured (Considered good)	-	44.02
Un Secured (Considered doubtful)	1,111.75	1,111.75
Less: Provision for Doubtful	(1,111.75)	(1,111.75)
05. Due from Others		
Secured	-	-
Un Secured (Considered good)	105.02	73.79
Un Secured (Considered doubtful)	4,406.23	4,506.92
Less: Provision for Doubtful	(4,406.23)	(4,506.92)
06. MAT Credit Entitlement - Unsecured considered Good	9,230.26	9,253.41
07. Advance against Tax payments - Unsecured considered Good	445.44	324.28
TOTAL	10,052.94	10,092.14

NOTE NO. – 14

OTHER NON CURRENT ASSETS

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. Long Term Trade Receivables		
Secured	-	-
Un Secured (Considered good)	-	-
Un Secured (Considered doubtful)	501.54	590.11
Less: Provision for Doubtful	(501.54)	(590.11)
Sub Total (1)	-	-
02. Others		
Deposit with Govt. Bodies	1,912.30	1,531.43
Sundry Deposits Long Term	1,006.83	1,021.30
Less: Provision for Deposits	(294.02)	(206.63)
Employee's Family Welfare Fund Deposits/Securities	73.35	62.78
Commissioner of Payment (Doubtful)	1,809.13	1,808.12
Less: Commissioner of Payment (Provision)	(1,809.13)	(1,808.12)
Deposit with PF authorities under Protest	148.72	146.24
Less: Provision for Deposit with PF authorities	(131.07)	(131.07)
Deposit with ESI authorities	364.66	364.66
Less: Provision for Deposit with ESI authorities	(353.45)	(353.45)
Claim receivable from Central Government	12,027.48	12,027.48
Less: Provision for Claim receivable from Central Government	(12,027.48)	(12,027.48)
Advance Tax	5.99	-
Less: Provision for Advance Tax	-	-
Others	446.58	550.45
Other Considered Doubtful	229.64	151.33
Less: Provision for doubtful	(229.64)	(151.33)
Other Bank Balances (having maturity more than 12 Months)	164.35	488.76
Sub Total (2)	3,344.24	3,474.47
TOTAL (1+2)	3,344.24	3,474.47

(Refer to Note No. 30.14)



NOTE NO. ^{NTC} 15

INVENTORIES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
Raw Materials	4,421.01	3,648.61
Raw Materials in transit	95.86	97.84
Work-in-process	4,305.84	4,051.31
Finished Goods	22,411.48	15,121.29
Finished Goods in transit	0.44	114.19
Stock in Trade	1,221.82	1,095.43
Stock in Trade in transit	2.95	4.06
Stores and Spares	706.80	681.78
Stores and Spares in transit	25.10	38.23
Less: Provision for Obsolete Stores	(121.26)	(161.09)
Waste	411.70	376.27
Scrap	193.32	673.25
TOTAL	33,675.06	25,741.17

Valuation of Inventories is done as per the Policy no. 1.5 of the Accounting Policies.

NOTE NO. – 16

TRADE RECEIVABLES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. Outstanding for a period exceeding 6 months from the date due for payment		
Secured	-	-
Unsecured Considered good	1,164.46	633.94
Unsecured Considered doubtful	717.36	960.83
Less: Provision for Bad and doubtful debts	(717.36)	(960.83)
Sub Total (1)	1,164.46	633.94
02. Other Debts		
Secured	-	33.55
Unsecured Considered good	5,761.84	5,820.96
Unsecured Considered doubtful	-	0.03
Less: Provision for doubtful	-	(0.03)
Sub Total (2)	5,761.84	5,854.51
TOTAL (1+2)	6,926.30	6,488.45

NOTE NO. – 17

CASH AND BANK BALANCES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. CASH AND CASH EQUIVALENTS		
Balance with Banks		
In Current Accounts	5,350.14	5,017.36
In Savings Accounts	-	1.60
In Fixed Deposits (having Maturity within 3 Months)	6,632.59	14,814.08
Cheques in Hand	160.09	83.51
Stamps in Hand	0.03	0.03
Remittances in transit	17.32	22.25
Cash in Hand	56.86	50.70
Employees Security Deposit	2.77	0.73
Balance with Post Office	0.30	0.30
Sub Total (1)	12,220.10	19,990.56
02. OTHER BANK BALANCES		
Fixed Deposits (Maturity period is from 3 to 12 months)	103,835.05	109,610.04
Fixed Deposits - Earmarked	18,217.51	17,571.88
Deposit for Margin Money	584.59	538.18
Sub Total (2)	122,637.15	127,720.10
TOTAL (1+2)	134,857.25	147,710.66

NOTE NO. – 18

SHORT TERM LOANS AND ADVANCES

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
01. To Employees		
Secured	17.60	20.80
Un Secured (Considered good)	360.16	338.52
Interest accrued thereon	0.48	1.11
02. To Related Parties		
Secured	-	-
Un Secured (Considered good)	183.03	183.03
03. Due from Others		
Secured	-	-
Un Secured (Considered good)	11,119.53	10,140.71
04. Advance against tax payments - unsecured considered good	219.18	202.54
TOTAL	11,899.98	10,886.71

(Refer to Note No. 30.9.4, 30.31.2 & 30.31.3)



NOTE NO. – 19

OTHER CURRENT ASSETS

Amount ₹ in Lacs

Particulars	"Figures as at the end of the current reporting year "31-03-2014"	"Figures as at the end of the previous reporting year "31-03-2013"
Balance with Excise Authorities	3.52	3.96
Deposit with Govt. Bodies	111.73	20.42
Commissioner of Payment (Good)	145.20	298.91
Others	435.21	253.59
Interest accrued on deposits, Loans and Advances	2,485.96	1,616.05
Prepaid Expenses	124.88	113.43
Claim Receivable	460.91	68.68
Sundry Deposits	126.58	106.42
Fixed Assets held for Sale	8,616.22	8,624.82
Current Account with Subsidiary Companies	48.16	26.22
TOTAL	12,558.37	11,132.50

(Refer to Note No. 30.13 & 30.31.2)

NOTE NO. – 19.1

DETAILS OF FIXED ASSETS HELD FOR SALE

Amount ₹ in Lacs

S. No.	Particulars	"Figures as at the end of the current reporting year "31-03-2014"			"Figures as at the end of the previous reporting year "31-03-2013"		
		Gross Block	Depreciation Reserve	Net Block	Gross Block	Depreciation Reserve	Net Block
1	Land - Free Hold	8,244.38	-	8,244.38	8,244.52	-	8,244.52
2	Land - Lease Hold	0.51	0.37	0.14	0.39	0.37	0.02
3	Building - Factory	544.38	406.71	137.67	544.38	406.71	137.67
4	Building - Non Factory	167.55	65.73	101.82	167.55	65.73	101.82
5	Tube Well	21.82	9.29	12.53	21.82	9.29	12.53
6	Plant & Machinery	1,666.88	1,577.90	88.98	1,723.13	1,624.19	98.94
7	Furniture & Fixtures	55.11	51.34	3.77	51.35	48.10	3.25
8	Vehicles	24.46	23.28	1.18	24.49	23.31	1.18
9	Electrical Fittings	54.98	49.74	5.24	57.70	53.07	4.63
10	Office & Factory Equipments	53.67	42.41	11.26	55.72	44.91	10.81
11	Bio Gas Plant	0.77	0.73	0.04	0.77	0.73	0.04
12	Computer	21.11	20.05	1.06	33.50	32.24	1.26
13	Railway	0.01	0.01	-	0.06	0.06	-
14	Lab Equipment	7.06	6.40	0.66	7.06	6.40	0.66
15	Silver Coins/ Vessels	1.06	-	1.06	1.06	-	1.06
16	Lives Stock	-	-	-	-	-	-
17	Building Salvage value	6.43	-	6.43	6.43	-	6.43
	TOTAL	10,870.18	2,253.96	8,616.22	10,939.93	2,315.11	8,624.82

NOTE NO. – 20

REVENUE FROM OPERATIONS

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
01. Sale of Products		
Cloth	15,121.81	15,778.98
Yarn	90,186.21	84,085.47
Readymade	1,882.24	191.32
Sub Total (1)	107,190.26	100,055.77
02. Sale of Services		
Job Conversion Charges	-	31.19
Commission Earned	71.01	53.98
Sub Total (2)	71.01	85.17
03. Other Operating Revenues		
Sale of Waste	3,099.57	2,454.41
Other	12.47	1.60
Sub Total (3)	3,112.04	2,456.01
Total (1+2+3)	110,373.31	102,596.95

NOTE NO. – 21

OTHER INCOME

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
Interest on Bank Deposits	12,714.64	15,652.22
Interest on Others	1,138.24	932.95
Rent income	515.47	530.08
Insurance and other claims	61.43	37.53
Sale of Scrap and other unserviceable stores	234.84	820.60
Stock deficit recovered	12.63	0.31
Sundry Balances written back	74.07	1,541.96
Cash Discount	124.31	116.62
Forfeiture of Security Deposit (Other than Sale of Assets)	-	0.60
Dividend from Other Companies	0.15	0.11
Dividend from Subsidiary Companies	644.91	694.72
Foreign Exchange Rate Difference	42.63	115.75
Miscellaneous Receipts	289.03	237.16
TOTAL	15,852.35	20,680.61

(Refer to Note No. 30.25.2)



NOTE NO. – 22

COST OF MATERIAL CONSUMED

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
A. Raw/ Semi Finished		
Stock at Commencement	3,685.30	5,615.66
Add: Purchase	66,426.17	49,522.78
Less: Stock sold	(0.46)	-
Less: Stock At Close	(4,516.87)	(3,685.30)
Raw/ Semi Finished Material Consumed - Sub Total (A)	65,594.14	51,453.14
B. Packing material Consumed	1,205.28	978.43
Cost of Material Consumed (A + B)	66,799.42	52,431.57

(Refer to Note No. 30.30)

NOTE NO. – 23

CHANGE IN INVENTORIES

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
Stock At Commencement		
Cloth	4,092.75	3,377.39
Yarn	10,938.16	9,744.63
Stock in Trade	1,099.48	1,390.39
Waste	376.27	418.22
Work-in-Process	3,878.47	3,203.59
Job in Process	-	5.57
Scrap	673.25	137.71
TOTAL	21,058.38	18,277.50
Stock At Close		
Cloth	4,618.14	4,092.75
Yarn	17,793.78	10,938.16
Stock in Trade	1,224.77	1,099.48
Waste	411.70	376.27
Work-in-Process	4,305.84	3,878.47
Job in Process	-	-
Scrap	193.32	673.25
TOTAL	28,547.55	21,058.38
(Increase)/ Decrease in Inventories	(7,489.17)	(2,780.88)

NOTE NO. – 24

EMPLOYEES BENEFIT EXPENSES

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
Salaries and Wages	19,144.45	17,213.00
Bonus	317.04	357.95
Contribution to PF & Pension	1,870.20	1,718.44
Cont. to E.S.I, DLI & Adm. Charges	601.25	486.33
Workmen & Staff Welfare Expenses	1,222.45	1,224.04
Leave Salary and Wages (Provision)	701.85	843.09
Sick Leave (Provision)	255.07	35.68
Terminal Benefits (Provision)	(5.17)	38.61
Contract Labour Charges	1,772.48	1,811.14
Gratuity (Provision)	2,234.73	2,918.50
LTC (Provision)	34.84	37.11
Remuneration to Directors	68.20	83.05
Total	28,217.39	26,766.94

(Refer to Note No. 30.18 & 30.22)

NOTE NO. – 25

FINANCE COSTS

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
01. Interest Expenses		
Interest on Loan from GOI	4,595.28	4,476.53
Interest on Bank Loans for Working Capital	13.34	12.05
Interest on Trade Credits	17.54	18.52
Interest on Cotton Dues	347.00	89.48
Interest on Other Loans and Deposits	14.26	24.17
Interest on Provident Fund and ESI dues	0.06	12.16
Surcharge on Water/ Electricity etc	0.01	0.02
Interest on others	155.21	159.09
Sub Total (1)	5,142.70	4,792.02
02. Other Borrowing Costs		
Bank Charges and Loan Processing fee	68.61	60.97
Cash Discount Allowed	139.93	121.47
Guarantee fee	3.33	1.35
Sub Total (2)	211.87	183.79
03. Foreign Exchange Rate Difference	11.22	0.47
Total (1+2+3)	5,365.79	4,976.28

(Refer to Note No. 30.17)



NOTE NO. – 26

MANUFACTURING, ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
A) MANUFACTURING EXPENSES		
Stores, Spares, Dyes & Chemicals	2,492.23	2,257.88
Tools Used	0.01	0.95
Power, Fuel & Water	21,471.37	19,539.70
Repairs to Machinery	346.91	370.32
Repairs to Building	127.66	162.12
Repairs to Other Assets	30.25	35.02
Processing Charges	701.53	1,052.56
Job Charges	57.50	14.01
Stiching Charges	12.04	8.05
Hank Yarn obligation	16.01	17.48
Total A	25,255.51	23,458.09
B) ADMINISTRATIVE EXPENSES		
Rent	192.31	179.09
Rates & Taxes	703.69	858.74
Insurance	139.24	117.80
Publication of Notices	111.20	77.62
Entertainment Expences	24.34	29.47
Hotel and Incidental	11.75	3.67
Payment to Statutory Auditors		
for Statutory Audits	34.67	32.36
for Tax Audits	10.40	9.53
for Other Services	4.22	4.24
Reimbursement of expenses	9.26	6.77
Payment to Other Auditors		
for Internal Audits	26.63	18.71
for Cost Audits	5.61	3.44
for Taxation work	4.81	2.75
for Company Law Matters	-	-
for Management Services	2.10	0.96
Postage, Telegram & Fax	33.46	32.79
Telephones	100.60	119.56

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
Printing & Stationery	105.80	103.13
Vehicles Running & Maintenance	70.61	73.59
Legal and Professional Charges	899.28	1,040.58
Traveling Expenses	251.65	235.81
Local Conveyance	180.76	170.93
Director's Traveling Expenses	51.52	86.61
Director's Sitting Fees	3.81	2.02
Water and Electricity Charges	275.84	275.24
Provident Fund Administration Charges	132.32	124.99
Miscellaneous Expenses	299.27	291.62
Data Processing Charges	40.46	26.49
Watch and Ward Expenses	309.05	258.20
Repair to Other Assets	51.44	37.23
Festival Expenses	17.61	13.71
Gifts	9.38	6.90
Payment to Relief Fund	-	0.29
Company Social Responsibility Expenses	5.44	-
Annual Maintenance Charges	12.88	10.82
Fee and subscription	10.52	8.61
Filing Fee	0.52	4.01
Maintenance of office Building	204.96	140.32
Other Administrative Expenses	196.34	78.88
Carrying charges on cotton	1.88	0.48
Training & Development	20.19	15.56
Meeting/ Committee Expenses	35.20	17.50
Total B	4,601.02	4,521.02
C) SELLING & DISTRIBUTION EXPENSES		
Brokerage	164.37	204.97
Commission on sales	1,121.12	872.91
Sales expenses	258.19	164.43
Publicity Expenses	611.87	352.34
Export Expences	128.20	87.91
Other incidental, forwarding Expences	314.75	326.17
Total C	2,598.50	2,008.73
GRAND TOTAL(A+B+C)	32,455.03	29,987.84



NOTE NO. – 27

PROVISIONS

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
Doubtful Debts	0.64	8.14
Doubtful Advances	41.82	27.18
Obsolete Stores	4.05	20.75
Other Current Assets	85.33	690.97
Loss in Value of Investments	-	0.05
Total	131.84	747.09

NOTE NO. – 28

PRIOR PERIOD INCOME/(EXPENSES)

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
A) EXPENSES		
Sales	3.56	40.29
Raw Material Consumption/ Purchase	12.62	5.78
Employees Remuneration and Benefits	68.67	148.63
Manufacturing Exp.	40.79	16.52
Administrative Expenses	39.00	111.60
Selling and Distribution Expenses	22.99	39.84
Depreciation	99.18	3.38
Finance Charges - Interest	334.76	481.86
Finance Charges - Others	2.67	1.10
Misc. Expenses	2.33	0.27
Statutory Dues/Tax	27.61	9.24
Building repair	20.67	-
Others	1.86	8.23
TOTAL A	676.71	866.74
B) INCOME		
Sales	27.82	21.80
Other Income	12.72	215.28
Adjustment for Raw Material Consumptions/ Purchase	5.91	9.05
Adjustment for Employees Remuneration and Benefits	153.65	62.96
Adjustment for Manufacturing exp.	255.48	9.59
Adjustment for Administrative Expenses	36.57	14.54
Adjustment for Selling and Distribution Expenses	5.65	14.49
Adjustment for Finance Charges - Interest	8.52	374.07
Adjustment for Finance Charges - Others	2.50	0.65
Adjustment for Depreciation	6.99	3.17
Others	3.43	6.58
Interest payable to COP/CCS written back	-	4,715.32
TOTAL B	519.24	5,447.50
INCOME/ (EXPENSES)	(157.47)	4,580.76

NOTE NO. – 29

EXTRA-ORDINARY ITEMS

Amount ₹ in Lacs

Particulars	"Figures for the current reporting period 2013-14	"Figures for the previous reporting period 2012-13
Expenses		
MVRS Compensation (Ex Gratia)	667.73	1,781.67
Loss on Sale of Assets	1.13	2.13
Expenses on Sold Assets	8.73	6.00
Others	23.38	0.48
Total	700.97	1,790.28
Income		
Profit on sale of Land	209.03	2,033.48
Profit on sale of other Assets	277.25	245.70
Forfeiture of Security Deposit of Sale of Assets	0.47	-
Compensations/ Right of Surrender	-	75.94
Reversal of Provision of Claim recoverable from Government of India	-	4,747.94
Commissioner of Payment	20.25	142.02
Duty Exemption from Power Supplier - MDEDCL	243.08	-
Back Wages Liability written back	-	4,705.56
Others	-	2.16
Total	750.08	11,952.80
Net	49.11	10,162.52

(Refer to Note No. 30.19 & 30.20)

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

30.1 CONTINGENT LIABILITIES & COMMITMENTS :

(₹ in Lakhs)

S.No	Description	As at 31 st March, 2014	As at 31 st March, 2013
(i)	CONTINGENT LIABILITIES		
	(a) Claims against the Company not acknowledged as debts:		
a.1	For workmen compensation*	11455.38	11854.71
a.2	For Excise & Custom Duty	553.14	527.59
a.3	Sales Tax/Purchase Tax –disputed	6266.37	6182.70
a.4	Disputed Claims in appeals	360.97	353.23
a.5	Disputed Property Tax and other Taxes	1659.73	1959.95
a.6	Interest claims of Suppliers/claims not provided as per Board for Industrial & Financial Reconstruction (BIFR) order	39455.46	32805.49
a.7	Towards resale loss of cotton bales & carrying charges	689.95	689.95
a.8	Disputed mesne profit for enhancement of rent/eviction of property	29158.02	42098.80
a.9	Premium claimed by Govt. of Maharashtra – New Hind Textile Mills	3477.62	3477.62
a.10	Disputed Market Fee under appeal (Post Nationalization)	278.54	278.54
a.11	Claim by the parties for 11 Joint Ventures Mills for damages towards loss of profit due to cancellation of Joint Ventures	51362.00	51362.00
a.12	Interest on Income Tax Dues- Case pending before (BIFR)	10062.46	6480.54
a.13	For others	3720.14	2613.14
	(b) Guarantees given by the Company to the Banks/Financial institutions/Others	1608.37	2106.85

S.No	Description	As at 31 st March, 2014	As at 31 st March, 2013
(c) Others			
c.1	For Income Tax demands raised by the department–disputed	78.95	78.95
c.2	Estimated Damages and Interest on PF and ESI dues (Pre - Nationalisation)	1753.56	1784.00
c.3	Estimated Damages on PF and ESI dues (Post-Nationalization)	8838.04	9493.94
c.4	Electricity dues (Pre-Nationalisation/under litigation)	99.20	108.56
c.5	Stamp duty liability for issue of shares for which exemption is available as per BIFR Orders	252.51	252.51
c.6	Liability towards export obligations	1632.32	1190.20
(ii) COMMITMENTS			
(a)	Estimated amount of contracts remaining to be executed on Capital account	479.99	6061.42

*In some cases of workmen compensation, amount is not ascertainable.

30.2 TAX LIABILITY

30.2.1 Vide order dated 5.9.2008 Board for Industrial and Financial Reconstruction (BIFR) 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.”

30.2.2 Against this order Central Board for Direct Taxes (CBDT) filed an Appeal before Appellate Authority of Industrial & Financial Reconstruction (AAIFR) praying to delete the Income Tax Relief and stay the operations of the BIFR order for granting exemptions of Wealth Tax, Capital Gain Tax and Section 41(1) of Income Tax Act, against which stay was granted and department of expenditure has advised Ministry of Textiles (MoT) for alternative suggestions to group of ministers for provision of budgetary support to sick NTC subsidiaries.

30.2.3 Consequently, necessary provision have been made during years 2010-11, 2011-12 & 2012-13 towards tax on capital gains for ₹ 20746.92 lakhs and under Minimum Alternate Tax (MAT) for ₹ 9230.26 lakhs etc. and provision for wealth tax for ₹ 2.43 Lakhs in respect of FYs 2006-07 to 2012-13; but not paid, pending decision from BIFR in the appeal filed by CBDT.

30.2.4 Current year tax liability is estimated at NIL due to losses. As on 31.03.2014, outstanding liabilities in books in respect of tax on capital gains is ₹ 20746.92 Lakhs (Previous Year ₹ 20746.92 lakhs), MAT is ₹ 9230.26 Lakhs (Previous Year ₹ 9253.41 lakhs) and Wealth Tax ₹ 178.98 lakhs (Previous Year ₹177.76 lakhs).(Note No. 10)



30.2.5 Company has submitted an application before CBDT to exempt the tax liability as per approved BIFR Scheme and also taken up the matter with Ministry of Textiles (MOT).

30.2.6 AAIFR has remanded back the case to BIFR for re-examination through detailed calculations and recommends only such reliefs & concessions which lie within the powers of the Government to sanction under relevant statutes. No provision for interest has been provided in the books of accounts. However, interest liability is shown as contingent liability to the extent of ₹ 10062.46 Lakhs (Previous Year ₹ 6480.54 Lakhs) (**Note No. 30.1**).

30.3 STATUS OF THE SANCTIONED SCHEME OF BIFR

30.3.1 “BIFR approved “Sanction Rehabilitation Scheme” (SRS) in March 2002 in respect of 8 erstwhile subsidiaries of Company. Subsequently, the scheme was modified in 2006 and further modified in 2008. BIFR approved merger of 9 subsidiaries with effect from 1.4.2006 vide order dated 28.06.2007. The modified scheme (MS-08) has been approved by BIFR vide order dated September 5,2008 with a capital outlay of ₹ 115596.00 Lakhs for Investment in Plant & Machinery which is to be met from the sale of Assets.

30.3.2 As per BIFR order dated 05.12.2011, the implementation period of MS-08 has been extended up to 31.3.2012. Further Company has received approval from Ministry of Textiles (MOT), conveying their concurrence to approach BIFR for extension of implementation period of MS-08 up to 31.03.2014.

30.3.3 Ministry of Textiles informed vide their letter no.F.No.11/24/2009-NTC (Vol.I) dated 19th December 2013 that MDRS-12 has been rejected by the Competent Authority. NTC is now in process of reformulating MDRS 14 in consultation with an agency and after approval of NTC Board, MOT-GOI and other Government Agencies as required, MDRS – 14 would be submitted to BIFR.

30.4 RESERVES AND SURPLUS

30.4.1 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.

30.4.2 During the year, NTC has accounted for 562 silver coins/ vessels/ antique piece (items) at a nominal value of ₹ 1 each as fair value is not determined, thus totalling to ₹ 562 as additions to Fixed Assets by crediting to Capital Reserve. These items were physically found during 2005-06 on closure of certain Mills and thereafter this exercise was carried out at all the working Mills also. Subsequently these items were transferred to Regional Office except one antique piece which was transferred to Tata Mills for safe custody. Since in terms of the Nationalisation Act 1974/1995 the rights, title and interest of the owners of these nationalised textile undertaking stands transferred to and vest absolutely to the Central Government/ NTC, hence the amount capitalised has been credited to Capital Reserves. Further no depreciation has been provided on the said assets.

30.5 TITLE DEEDS OF PROPERTIES PENDING FOR TRANSFER AS OWNERSHIP IN DISPUTE

30.5.1 Transfer of certain immovable properties in favour of the Company is pending as same is 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 ₹)	Occupied by NTC (Yes/No)
TITLE DEEDS NOT AVAILABLE					
1	Land	14/1, Civil Lines, Kanpur	49187	NA	Yes
2	IMU Mill, Indore Land	Mill Area	77323	Nil	Yes
TITLE IN DISPUTE					
1	Freehold Land	Mathura(WRO)	29188	NA	No
2	Land of KTM & PWM	Kharar	216013.03	141108	151028.98- NTC 64984.05- OTHERS
3	Land	Nakur Road, Saharanpur	83122 Sq.Mtr	NA	Yes
4	Land	Darashivpuri, Saharanpur	6316 Sq.Mtr.	NA	Yes
5	Land	Shivpuri Rajbhaha, Saharanpur	10567 Sq.Mtr	NA	No
6	Hira Mill, UjjainRam Mandir Area	Near Mill Premises	28751.25	15779	No
7	BNC Mill, Rajnandgaon	Baldeobag Khasra No. 22	46880	NA	Partially Occupied by Mills

30.5.2 Fixed Assets held for Sale at Laxmi Rattan Cotton Mills, Kanpur include land valuing ₹18.35 Lakhs and non-factory building valuing ₹ 4.65 Lakhs, 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:-

(₹ in Lakhs)

Land & Building description	Status	Total	Land	Building
i) 113/114, 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-	12.47	11.56	0.92
vi) 15/68, Civil Lines, Kanpur	Under possession			
	Total	23.00	18.35	4.65

***Note:** Separate valuation of properties 15/68-69, Civil Lines, Kanpur is not available.

30.5.3 In respect of Lord Krishna Textile Mills, Saharanpur, mutation of ownership in respect of land incorporating company's name is sub-judice, pending decision of High Court.

30.5.4 Title of Agricultural land measuring 26 acre 4 canal 22 Marla of Panipat Woollen Mills & Kharar Textile Mills, Kharar is in dispute with erstwhile owners of these mills. Supreme Court had set-aside matter to trial court. Presently title dispute of the above said agricultural land measuring 26 acre 4 canal 22 Marla of Panipat Woollen Mills & Kharar Textile Mills, Kharar is pending before the Civil Court at Kharar.

30.6 PROPERTIES & ASSETS UNDER UNAUTHORISED OCCUPATION

30.6.1 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 (in ₹)	Occupied by NTC (Yes/No)
1	Freehold Land	7 locations in Maharashtra	200834	933908	No
2	Leasehold Land	2 locations in Maharashtra	278481	8528	No
3	Land	Akola	596	259816	No
4	Staff Qtrs/Shops/Chawls, etc	18 locations in Maharashtra	75084	1088665	No
5	Staff Qtrs /Shops /Chawls, etc	Akola	635	276818	No
6	Chawls/Rooms of Ahd. New Tex.Mill	O/s Raipur Gate, Ahd.	5150.1	NA	No
7	Chawls/Rooms of Ahd. Jupiter Tex.Mill	O/s Mill, Dudheswar Road, Ahd.	19770	NA	No
8	Chawls/Rooms of Jehangir Tex.Mill	O/s Mill, Devjipura, Shahibaug, Ahd.	10319	NA	No
9	Chawls/Rooms of New Manek Chawk Tex.Mill	Opp. Idgah Police Chowky, Ahd.	3550	NA	No
10	Bardolpura - Godowns	Bardolpura, Ahd.	3593	NA	No
11	Kerala Laxmi Mills	Thrissur	121405	61700	No
12	Kerala Laxmi Mills	Thrissur	19425	9872	No
13	Kerala Laxmi Mills	Thrissur	2104	809	No
14	Tirupati Cotton Mills	Renigunta	2023	NA	
15	Tirupati Cotton Mills	Renigunta	8035.62	NA	No
16	MSK Mills	Gulbarga	400Sq.Feet x 42 qtrs	NA	No
17	MSK Mills	Gulbarga	18311.85	NA	
18	Minerva Mills	Bangalore	4006	30000	
19	Minerva Mills	Bangalore	4856	36000	
20	Alagappa Textile	Alagappanagar	1821	5991	No
21	Azam Zahi	Warrangal	60217	56000	No
22	Coimbatore Murugan Mills	Coimbatore	23674	0	No
23	Land(UCM)	Temple/Play Ground	768.89	60.59	NO
24	Land(UCM)	Labour Colony	4572.9	699.65	NO
25	Land(STM)	Khasra N0.347/1	3442.2	1721	No
26	Land(STM)	Khasra N0.347/1	126.4	63	No
27	Land(STM)	Khasra N0.347/1	126.4	63	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	75.9	38	No
32	Land(STM)	Khasra N0.347/1	126.4	63	No
33	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 (in ₹)	Occupied by NTC (Yes/No)
34	Land(STM)	Khasra NO.347/1	252.9	126	No
35	Land(STM)	Khasra NO.347/1	126.4	63	No
36	Land(STM)	Khasra NO.347/1	126.4	63	No
37	Land(STM)	Khasra NO.347/1	177	88	No
38	Land(STM)	Khasra NO.347/1	151.7	76	No
39	Land(STM)	Khasra NO.347/1	202.3	101	No
40	Land(STM)	Khasra No.165 & 347/1	4780	2301.65	No
41	Land(STM)	Khasra No.347/1	682.8	341	No
42	Land(STM)	Khasra No.347/1	394.5	197	No
43	Land(STM)	Khasra No.347/1	335.3	168	No
44	Land(STM)	Khasra No.347/1	139.1	70	No
45	Land(STM)	Khasra No.347/1	139.1	70	No
46	Shop No.27 & 1 Qtr.(KTM)	KTM Colony	104.52	NIL	NO
47	Shop No.21 & 1 Qtr.(KTM)	KTM Colony	104.52	NIL	NO
48	Shop No.24(KTM)	KTM Colony	29.26	NIL	NO
49	Shop No.20(KTM)	KTM Colony	29.26	NIL	NO
50	Shop No.23(KTM)	KTM Colony	29.26	NIL	NO
51	Agricultural Land (KTM)	Kharar	43640.52	NIL	NO
52	Land(PWM)	Near Prince Mkt,Kharar	5644.24	NIL	NO
53	Land(PWM)	Behind FCI Godown, Kharar	1103.76	NIL	NO
54	Land(PWM)	Old Octroi Post, Kharar	2508.55	NIL	NO
55	Land(PWM)	Khuni Mazra, Kharar	10435.56	NIL	NO
56	Land(PWM)	Badala Road,Kharar	476.98	NIL	NO
57	Land(PWM)	Badala Road,Kharar	877.98	NIL	NO
58	Quarter(SBCM) *	Bijayanagar	64.66	NIL	NO
59	Quarter(SBCM) *	Bijayanagar	31.91	NIL	NO
60	Quarter(SBCM) *	Bijayanagar	50.85	NIL	NO
61	Quarter(SBCM) *	Bijayanagar	47.55	NIL	NO
62	Land	Plot No.396, Shastri Nagar	1.30 acre	6553	NO
63	Land	Plot No.9, O Block, Geeta Nagar	9.53 acre	47885	NO
64	Land	Plot No.4, Vijai Nagar	2.90 acre	14596	NO
65	Bungalow	16 Cantt.	12.90 acre	294470	NO
66	Bungalow	16/58, Civit Lines	0.73 acre	180918	NO
67	Bungalow	16/68, Civil Lines	9613 acre	1179723	NO
68	Bungalow	1-A, LRCM Officers Colony	NA	NA	NO

S.No	Particular of the Assets	Location	Area in Sq. Meter/ No. of Qtrs	Book Value (in ₹)	Occupied by NTC (Yes/No)
69	Bungalow	5-A&B, LRCM Officers Colony	NA	NA	NO
70	Bungalow	9-A&B, LRCM Officers Colony	12320 Sq.Mtrs	15348	NO
71	Bungalow	10-B, LRCM Officers Colony	NA	NA	NO
72	Bungalow	11-B, LRCM Officers Colony	NA	NA	NO
73	Bungalow	12,13,14-A&B, LRCM Officers Colony	NA	NA	NO
74	Godown	1 & 2, Darshan Purwa	NA	NA	NO
75	Servant Quarters	119/1095, Darshan Purwa	NA	NA	NO
76	Land	84/22, Fazalganj, Kanpur	19481 Sq.Mtrs	24346	NO
77	Land	73/18, Collectorganj, Kanpur	NA	125906	NO
78	Bungalow	14/91, Civil Lines, Kanpur	421 Sq.Mtrs	NA	NO
79	Land	14/91, Civil Lines, Kanpur	6944 Sq.Mtrs	NA	NO
80	Land	14/117, Civil Lines, Kanpur	1550 Sq.Mtrs	NA	NO
81	Bungalow	14/116, Civil Lines, Kanpur	4.57 acre	NA	NO
82	Bungalow	14/67, Civil Lines, Kanpur	3.82 acre	NA	NO
83	Bungalow	15/1, Civil Lines, Kanpur	1.48 acre	NA	NO
84	Bungalow	84/45 & 46	20939 Sq.Mtrs	14760	NO
85	Bungalow	Swadeshi House	5.31 acre	NA	NO
86	Land	Anandpuri	6.26 acre	NA	NO
87	Land	Shivpuri, Ramghat, Saharanpur	10567 Sq.Mtrs	NA	NO
88	IMU Mill, Indore Quarters	Govind Nagar, Indore	4126/148	3468	No
88	IMU Mill, Indore Quarters	Malwa Gin, Indore	2785/29	2340	No
89	Hira Mill, Ujjain, Staff Quarters	Hira Mill campus	739.91/7	406	No
90	Hira Mill, Ujjain, LIG Quarters	Arvind Nagar	559.42/11	307	No
91	Hira Mills, Ujjain, Chawl Quarters	Chawl Area	9980.08/459	6030	No
92	Hira Mills, Ujjain, Chawl Quarters	Chawl Area	789.69/33	434	No
93	NBT, Bhopal, Mill Quarter 6/10	Mill Staff Colony	72.50	12000	No
94	BT Mill, Burhanpur Mill Chawl Quarter	Lalbag	6178/287	300990	No
95	BT Mill, Burhanpur, Staff Quarters	Mill Premises	43/1		
96	BNC Mill, Rajnandgaon, Quarters	Baldeobag	864/27	Not available separately	No

30.7 PENDING DISPUTES WITH REGARD TO LEASEHOLD LANDS

Summarized information is given below:

S.No	Particular of the Assets	Location	Area in Sq. Meter	Book Value (in ₹)	Occupied by NTC (Yes/No)
1	Freehold Land	5 locations in Maharashtra	52332	239650	Partly
2	Leasehold Land	5 locations in Maharashtra	188551	417651	Partly
3	Leasehold Land	Barshi Mills, Solapur	734	10	Yes
4	Leasehold Land	Digvijay Mills, Mumbai	37286	0	Yes
5	Leasehold Land	Rajnagar Tex. Mill No.1	33479	NA	Yes
6	Leasehold Land	Rajnagar Tex. Mill No.2	33479	NA	Yes
7	Leasehold Land	Petlad Tex. Mill	122154	NA	Yes
8	BNC Mill, Rajnandgaon	Leasehold Land, Baldeobag	137397	Nil	yes
9	BNC Mill, Rajnandgaon	Land Patta, Baldeobag	8700	Nil	yes

30.8 ADVANCE AGAINST SALE OF ASSETS PENDING REGISTRATION/POSSESSION

- 30.8.1** An advance of ₹121.00 Lakhs 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 Lakhs. Subsequently the Sub Divisional Magistrate, Karchana stayed the sale of land on the fact that the land was lease-hold. The matter is still subjudice.
- 30.8.2** An advance of ₹ 469.00 Lakhs 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 Lakhs. 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 account as the sale deed is to be executed after approval by the Asset Sales Committee at Head Office.
- 30.8.3** An amount of ₹181.51 Lakhs received on account of sales of Land in respect of Ahmedabad Jupiter Textile Mills.
- 30.8.4** The advance of ₹197.62 lakhs received against 0.78 acres of Land in respect of Netha Spg. Mills pending transfer of title deeds and ₹10.38 lakhs received against sales of 10 acres land of MSK Mills, is shown as advance against sale of assets and included in Other Current Liabilities

- 30.8.5** Advance of ₹ 225.00 Lakhs (previous year ₹ 225.00 Lakhs) 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.
- 30.8.6** During the year 2009-10, NTC had invited offers for sale of property of the Finlay Mills Mumbai, including plant & machinery. The highest bid received was ₹ 65790.00 Lakhs which was subsequently voluntarily revised by the bidder to ₹ 71000.00 Lakhs with a view to match the Reserve Price. The said offer was rejected by NTC. The bidder had filed Writ Petition in High Court challenging the rejection, wherein the Hon'ble High Court passed Order directing ASC to re-examine its decision and also directed the Petitioner to deposit ₹ 10000.00 Lakhs towards EMD. In absence of unanimous decision in the matter, ASC decided to refer the matter to BIFR. The BIFR, vide order dated 18.5.2010, directed NTC to accept the bid of ₹ 71000.00 Lakhs. The said Order was challenged by NTC in the AAIFR. The appeal of NTC has been dismissed by the AAIFR, vide its Order dated 24.6.2011. The said decision of the AAIFR has been challenged by NTC by way of filing Writ Petition in the Hon.ble High Court at New Delhi by praying inter alia that Order of the AAIFR be quashed and set aside and also permit NTC to conduct a fresh valuation of Finlay Mill assets and thereafter to conduct an open and transparent public sale of Finlay Mills property under the supervision of the ASC of the Hon'ble BIFR strictly in terms of BIFR guidelines. Matter is pending for hearing. Meanwhile Govt. of India has also filed application for impleadment as a party in the matter. The amount of ₹ 10000.00 lakhs deposited by the party as EMD is still lying with NTC.

30.9 OTHER PROPERTY MATTERS

- 30.9.1** Assets held for sale includes entire Land (Approx. 48415 sq. mtrs.) of India United Mill No.6, Mumbai (Gross Block of ₹ 43.23 Lakhs). On the request of the Government of Maharashtra (GOM) for allotment of the said land for a proposed memorial, a Committee was constituted with the approval of Commerce, Industry & Textile Minister, Government of India (GOI). This Committee was to examine and recommend the modalities of making available the requisite land for a proposed memorial, compliance with environmental, legal and procedural requirements and the modalities for suitably and adequately compensating NTC.

The Committee held four meetings during the period March 2012 to October 2012, but could not reach a consensus on the subject and the matter was informed to the Union Cabinet. Thereafter, a statement was then made in December 2012 in both the houses of Parliament that the GOI has taken a view to make available the said land for the use to the GOM for a befitting Memorial for Bharat Ratna Dr Babasaheb Ambedkar. Further, Union Cabinet approved the transfer of Indu Mill No. 6 land for the construction of a memorial for Dalit, icon Dr. B.R. Ambedkar. The Bill for transfer the land is yet to be approved by the Parliament.

In view of above, there is no impact on the Annual Accounts during the year.



- 30.9.2** 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.
- 30.9.3** 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 will be given on actual joint measurement of the land/receipt of FSI from MCGM.
- 30.9.4.a** 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 pending before the High Court.
- 30.9.4.b** In respect of the Textile Mills in Pondicherry 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 (SCHEDULES 1 and 2 to the MOU) 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 GOM/S No.11/2005-IND-B dated 4.7.2005 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 Govt. of Pondicherry. But it has discharged certain liability of NTC like Gratuity of employee, EPF, ESI and Central Excise etc. The net amount receivable ₹ 34.28 crores from Govt. of Pondicherry is shown as Short Term Loans and Advances-due from others. (Note No. - 18)
- 30.9.5** Name Change formalities in respect of Land & Buildings valued at ₹ 0.89 lakhs 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.
- 30.9.6** 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 lakhs.
- 30.9.7** Sub-lease rent to the tune of ₹ 84 lacs 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 Lakhs.

30.9.8 Title deeds of land of Muir Mills, Kanpur are in possession of State of Bank of India since the pre nationalization period.

30.9.9 The lease of Land (Approx. 10,132 sq. mtrs.) of Podar Mills had expired on 21.10.1990 by efflux of time. Thereafter, the Lessor filed suit for peaceful possession of Land with buildings or structures and also for claim of mesne profit. Finally, Hon'ble Supreme Court has decided in the matter of eviction and directed NTC to vacate and handover peaceful possession of the Land alongwith buildings or structures to the owner on or before 31.12.2013. Thereafter NTC filed application for further extension of time upon which the Supreme Court vide order dated 31.01.2014 extended the time for vacation of the premises to 30.06.2014. With regard to the mesne profit, lessor has claimed mesne profit at Market Rate in the range between ₹ 13.71 Lakhs to ₹ 64.13 lakhs per month. However, NTC is paying ₹ 4.00 Lakhs per month from August 2006 as per interim order passed in Appeal No. 627/2006. Claim of mesne profit is pending before the Trial Court. Meanwhile, the Lessor has sold the said Land to M/s. KBK Infrastructures (now known as RAK Construction Projects Pvt. Ltd.) who have filed Misc. Application to implead them as Party and same was allowed. Mill is now paying ₹ 4.00 lakhs per month to the said party. Pending outcome of the case, mesne profit based on revised claim by the lessor amounting to ₹ 6197.77 Lakhs (previous year ₹ 5476.15 Lakhs) has been shown in the contingent liability as disputed claim of mesne profit.

Since unit is supposed to handover peaceful possession of part of the land to its owner on or before 30.06.2014 leading to a situation where mill shall be working on reduced capacity upon handing over the possession of the said land. Therefore management has identified certain assets which shall be disposed off taking into consideration reduction of the capacity, certain assets shall be transferred to the other sister units and thereafter unit will be continued with the production assets with balance certain assets in the ensuing year. Therefore, unit has sought detail report on discarded value if any. The determination of value for discarded assets if any and assets which shall be held for disposal will be affected upon handing over the possession of the land in the ensuing year. Hence necessary accounting treatment if any shall be dealt with in the ensuing year.

30.9.10 Dayal Bagh Spg. & Wvg. Mills, Amritsar, factory building valued at ₹ 27.72 Lakhs (WDV-residual value- ₹ 1.39 Lakhs, Previous year ₹ 1.39 Lakhs) has been constructed on the leasehold land, the period of which expired. The eviction order has been passed by the Rent Controller (Additional Civil Judge (Senior Division), Amritsar which has stayed by the Additional Distt. Judge cum Appellate Authority, Amritsar on payment of mesne profit w.e.f. order of eviction. The company has paid ₹ 1.24 Lakhs p.m. as mesne profit from 25.10.2011 to March, 2014. The landlord's appeal for the enhancement of rent w.e.f 01.04.1999 to 24.10.2011 is pending before the court of Additional Distt. Judge cum Appellate Authority, Amritsar. Possession order was issued by the court at Amritsar on 14.03.2014 and possession of the mill was taken over by RSCS on 18.03.2014.

30.10 INTEGRATED DEVELOPMENT SCHEME

30.10.1 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
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. mtrs. of setback area in case of New Hind Textile Mills).	33,727	NIL	61,057

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
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	(7,275)	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
		41,897	9,676	45,997
i)	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)	0	3,976	3,546
	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 (Column (d) x 1.33)	41,163	NIL (since land not surrendered)	40,462
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
		₹ 92		₹ 21,882

- 30.10.2** 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:

(₹ In Lakhs)

Description	Gross Block (Net Block)	Provision for Depreciation	Area (sq.mtrs.)
Land	147.98 (147.98)	-	30,251
Factory Building	8.79 (2.00)	6.79	29,595 built-up
Non-Factory Building	0.16 (0.08)	0.08	1,722 built-up
Total	156.93 (150.06)	6.87	-

- 30.10.3** 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.

- 30.10.4** 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 raised a demand of unearned income amounting to ₹ 3477.62 Lakhs payable to the Government of Maharashtra (GOM) in terms of section 84 of the Maharashtra Land Revenue Manual. (Appeal has been filed with GOM & concerned authorities for reconsideration and based on legal opinion, NTC does not envisage any liability towards the said demand). However same has been included in the Contingent Liability as claim of unearned income.

30.11 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 ₹ 2000.00 Lakhs for setting up the textile museum, 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. All other structures proposed at other NTC 18 mills and 2 structures at India United Mills No. 2&3 stand deleted. The petition is now listed for final hearing and is pending before the said Court.

30.12 INVESTMENTS

30.12.1 The details of investment in each Subsidiary Company/ Associate are as under:

S.No	Name of Subsidiary Companies/ Strategic Partner (SP)	No. of shares	(%)	Cost (₹ in Lakhs)
01	Aurangabad Textiles & Apparel Parks Ltd. (SP – Alok Industries Ltd.)	1060800	51	106.08
02	New City of Bombay Mfg. Mills Ltd. (SP – Alok Industries Ltd.)	4676700	51	467.67
03	Apollo Design Apparel Parks Ltd. (SP – Pantaloon Retail {India} Ltd.)	2881500	51	288.15
04	Goldmohur Design & Apparel Parks Ltd. (SP – Pantaloon Retail {India} Ltd.)	2983500	51	298.35
05	India United Textiles Mills Ltd. (SP – Bhaskar Ind. Ltd.)	6482610	51	648.26
06	Swadeshi Mining & Manufacturing Limited	1718344		165.80
	TOTAL	19803454		1974.31

S.No	Name of Associate Company	No. of shares	(%)	Cost
01	Swadeshi Polytex Limited	1311750	34	145.42
	Less: Provision for diminution in value of investments			(145.42)
	TOTAL	1311750		-

30.12.2 Investments in each body corporate, quoted and unquoted and cost of purchase along with market value, wherever ascertainable, is given in **Annexure-I**.

30.12.3 During the current year ₹ 0.15 Lakhs has been brought in to the books as Investment, based on the duplicate share certificate of M/s The Western India Industrial Corporation Limited for 1500 equity shares of ₹ 10/- each which were acquired by the Company by virtue of Nationalization.

30.13 COMMISSIONER OF PAYMENTS

Other Current Assets include amount claimed from Commissioner of Payments in respect of nine erstwhile subsidiary companies amounting to ₹ 145.20 Lakhs (Previous Year - ₹ 298.91 Lakhs) as per details given below: (Note No. 19)

(₹ in Lakhs)

Description	As on 31.03.2014	As on 31.03.2013
Total amount claimed	3604.70	3584.44
Amount awarded & received	1654.62	1481.66
Rejected & taken-up again for reconsideration	1804.88	1803.87
Provision made	1804.88	1803.87
Balance claims pending	145.20	298.91

30.14 OTHER NON-CURRENT ASSETS

30.14.1 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 Western Region Office, Mumbai were of the Central Government and NTC would pay the liability on behalf of Central Government as and when it becomes due. NTC has paid ₹ 10487.18 Lakhs (Previous year ₹ 10358.28 Lakhs) and shown the same as claim receivable from Central Government. (Note No. 14)

Further, in addition to above, the balance of un-discharged liability as on 31.03.2014 amounting to ₹ 1540.30 Lakhs (Previous year ₹ 1669.20 Lakhs) has also been recognized during the earlier years.

Based on various correspondences with Ministry of Textile the management is of the opinion that the above reflected liabilities of the Central Government discharged by NTC may not be liable for reimbursement by the Central Government and hence NTC has fully provided for the receivables from the Central Government amounting to ₹ 12027.48 Lakhs.

30.14.2 ₹12.81 lakhs in Current a/c with Central Bank of India, Rabindra Sarani Branch, Kolkata and ₹ 4.14 lakhs in Current a/c with Central Bank of India, Espanade Branch has been shown as other bank balances under other long term assets as the matters in under arbitration.

The balance with Central bank of India at Rabindra Sarani Branch and Esplanade Br, Kolkata has been unilaterally adjusted by the said Bank against Pre-Nationalisation dues of the then Ramporia Cotton Mills taken over by NTC in 1974.

NTC challenged the steps of the Bank before the High Court Calcutta claiming the said amount as per the Nationalisation Act. Hon'ble High Court directed that the said dispute would be decided by the Committee on Dispute (COD).

Hon'ble High Court directed that the said dispute would be decided by the Committee on Dispute (COD). The COD decided that the matter would be resolved by Permanent Machinery of Arbitration (PMA) at New Delhi. The PMA heard the matter on different occasion. Next date is fixed on 11.07.2014. The balance of ₹12.81 Lakhs at Rabindra Sarani Br, Kolkata and ₹ 4.14 Lakhs at Esplanade Branch is under Long Term asset.

30.15 OTHER LIABILITIES

30.15.1 Other Current Liabilities includes ₹ 288.37 Lakhs (Previous Year- ₹ 288.37 lakhs) due to Commissioner of Payments and ₹ 707.15 Lakhs (Previous Year – ₹ 707.15 Lakhs) for Controlled Cloth Subsidy (Note No. - 9) for which Fixed Deposits with Banks (FDRs) are earmarked as given in **Note No. 17**.

30.15.2 Other Current Liabilities - Others of ₹ 14747.18 Lakhs (Previous Year ₹ 15346.95 Lakhs) (Note No. 9) includes ₹ 592.68 Lakhs (Previous Year ₹ 565.79 Lakhs) payable to 1472 employees (Previous Year – 1481 employees) who were relieved under MVRS and did not vacate the staff quarters/chawls and buildings premises etc.

30.15.3 Earnest Money/Security Deposit of ₹ 11223.44 Lakhs (Previous Year ₹ 11512.27 Lakhs) (**Note No. 9**) includes ₹ 10015.00 Lakhs (Previous Year ₹ 10015.00 Lakhs) towards Earnest Money Deposit received against Tender for sale of properties of Finlay Mills, Mumbai on account of non-confirmation of the sales by the Company and disputes are also pending in this regard.

30.16 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 613.82 Lakh Kgs (Previous Year – 600.96 Lakhs 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.

30.17 FINANCE CHARGES

Government of India has given loan of ₹ 27000.00 lakhs in the earlier years at the rate of 15.5% for ₹ 6250.00 lakhs & 14.5% for ₹ 20750.00 lakhs, in case of default, additional penal rate of 2.75% & 2.50%. These loans are 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 ₹1140.62 Lakhs (Previous Year ₹ 1140.62 Lakhs) on loan of ₹ 6250.00 Lakhs given during the

financial year 2006-07. The cumulative interest from 2006-07 to 31.03.2014 on the above loan outstanding is ₹ 8295.33 Lakhs (Previous Year ₹ 7154.71 Lakhs).

Company has also received loan of ₹ 6250 Lakhs and ₹ 14500.00 Lakhs during the year 2007-08 & 2008-09 respectively. Company has requested the Government to accept the principal amount of ₹ 20750.00 Lakhs waiving off the accrued interest of ₹ 17353.45 Lakhs (Previous Year – ₹13898.79 lakhs) on the above loan. Confirmation is awaited from the Government for the request made by Company and as such, the total interest accrued of ₹ 25648.78 lakhs (Previous Year – ₹ 21053.50 Lakhs) is shown under Other Current Liabilities. **(Note No. 9)**

30.18 DIRECTORS REMUNERATION

During the year, Director's Remuneration of ₹ 68.20 Lakhs (Previous Year ₹ 65.91 Lakhs) has been paid to three Wholetime Directors, pending issuance of detailed letter of Terms & Conditions to be issued by Ministry of Textiles, Government of India.

30.19 EXTRA ORDINARY INCOME

30.19.1 Assets Sales Committee (ASC) has been constituted as per BIFR Order, with Chairman and Managing Director, as Chairman and other nominee members from State Governments, BIFR, monitoring agency and Ministry of Textiles. ASC monitors and approves the Sale of Assets – land, FSI, Building and Plant & Machinery. During the year, the Company has accounted net extra ordinary income of ₹485.15 Lakhs (Previous Year ₹ 2277.05 Lakhs) **(Note no. 29)** from profit on sale of land, FSI, Building and other assets as under:

(₹ in Lakhs)

S. No.	Sub office	Sale proceeds of Land	Profit on Sale of Land	Sale proceeds of Building & other Assets	Profit on sale of Building & other Assets
1	Head Office	0.00	0.00	2.92	(0.97)
2	DPR	0.00	0.00	3.26	2.99
3	MP	184.12	184.12	0.00	0.00
4	WRO	12.41	12.41	269.50	257.18
5	SRO	12.51	12.50	22.18	16.92
	TOTAL	209.04	209.03	297.86	276.12
	Previous Year	2040.41	2033.48	258.46	243.57

30.20 EXTRA ORDINARY EXPENDITURE

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 hence treated as extra-ordinary item. During the year MVRS compensation (ex-gratia) of ₹ 667.73 Lakhs was paid (Previous Year ₹ 1781.67 Lakhs) and accounted as Extra Ordinary Expenditure. **(Note No. 29)**

MVRS of 23 (Previous Year – 71) number of employees has been accepted but employees have not been relieved as on 31.03.2014 and due provisions have been made on accrual basis. The actual liability that may accrue on the MVRS cases will be determined and accounted for on the date of relieving of such employees.

30.21 JOINT VENTURES

30.21.1 In addition to the formation of 5 Joint Ventures, 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.

30.21.2 All the 3 MOUs were terminated vide letter dated 14.09.2010, since definite agreements were not executed within 240 days of the date of execution of the MOU in the manner specified in the MOU.

30.21.3 The strategic partners have filed petitions for Arbitration in 2011 claiming ₹ 51362.00 Lakhs (Previous Year ₹ 51362.00 Lakhs) for damages towards loss of profit due to cancellation and expenses incurred by them. The proceedings are pending before Arbitration Tribunal. The amount claimed by the parties not accepted but shown as contingent liability. The upfront money of ₹ 840.00 Lakhs 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. **(Note No. 30.1). (Note No. 9)**

30.22 DISCLOSURES UNDER ACCOUNTING STANDARD 15 “EMPLOYEE BENEFITS”

30.22.1 Defined Contribution Plan

Amount recognized as an expense in defined contribution plans:

(₹ In Lakhs)

PARTICULARS	Expense recognized in 2013-14	Expense recognized in 2012-13
Contributory Provident Fund & Employees Pension Scheme 1995	1870.20	1718.44

Company is having trust for employee's provident fund in respect of Head Office and Sub-offices whereas units are making payments of their contribution to the respective Regional Provident Fund Commissioner.

30.22.2 Defined Benefit Plans

The Company is having following Defined Benefit Plans:

- Gratuity (Unfunded)
- Leave Encashment (Unfunded)
- Sick Leave (Unfunded)
- LTC & Terminal Benefits (Unfunded)

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Sick Leave (Unfunded)	LTC & Terminal Benefits (Unfunded)
	2013-14 2012-13	2013-14 2012-13	2013-14 2012-13	2013-14 2012-13
a) Actuarial Assumptions				
Discount rate	9.03%	9.03%	9.03%	9.03%
	8.25%	8.25%	8.25%	8.25%
Expected rate of return on assets	-	-	-	-
	-	-	-	-
Expected rate of future salary increase	5.50%	5.50%	5.50%	5.50%
	5.50%	5.50%	5.50%	5.50%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
	2.00%	2.00%	2.00%	2.00%
b) Reconciliation of opening and closing balances of Defined Benefit obligation				
Present value of obligations as at beginning of year	13169.39	2974.22	1174.25	152.82
Interest cost	12275.94	2772.53	1164.26	189.78
	1086.47	-	-	-
	1043.45	-	-	-
Current Service Cost	447.81	-	-	-
	541.51	-	-	-
Benefits paid	(2158.79)	(778.58)	(132.76)	(52.61)
	(2025.05)	(641.41)	(25.69)	(112.68)
Actuarial (gain)/loss on Obligations	700.45	701.85	255.07	29.67
	1333.54	843.09	35.68	75.72
Present value of obligations as at end of year	13245.33	2897.49	1296.56	129.88
	13169.39	2974.22	1174.25	152.82

Particulars	Gratuity	Leave	Sick	LTC & Terminal
	(Unfunded)	Encashment	Leave	Benefits
YEAR	2013-14	2013-14	2013-14	2013-14
	2012-13	2012-13	2012-13	2012-13
c) Actuarial Gain/Loss recognized				
Actuarial gain/(Loss) for the year	(700.45)	(701.85)	(255.07)	(29.67)
– Obligation	(1333.54)	(843.09)	(35.68)	(75.72)
Actuarial (gain)/Loss for the year	–	–	–	–
– plan assets	–	–	–	–
Total (gain)/Loss for the year	700.45	701.85	255.07	29.67
	1333.54	843.09	35.68	75.72
Actuarial (gain)/Loss recognized	700.45	701.85	255.07	29.67
in the year	1333.54	843.09	35.68	75.72
d) The amounts recognized in the balance sheet				
Present value of obligations as	13245.33	2897.49	1296.56	129.88
at the end of year	13169.39	2974.22	1174.25	152.82
Fair value of plan assets as at the	–	–	–	–
end of the year	–	–	–	–
Funded status	(13245.33)	(2897.49)	(1296.56)	(129.88)
	(13169.39)	(2974.22)	(1174.25)	(152.82)
Net (Asset)/liability recognized in	13245.33	2897.49	1296.56	129.88
balance sheet	13169.39	2974.22	1174.25	152.82
e) Expenses Recognized in statement of Profit & Loss				
Current Service Cost	447.81	-	-	-
	541.51	-	-	-
Interest cost	1086.47	-	-	-
	1043.45	-	-	-
Expected return on plan assets	-	-	-	-
	-	-	-	-
Net Actuarial (gain)/Loss recognized	700.45	701.85	255.07	29.67
in the year	1333.54	843.09	35.68	75.72
Expenses recognized in statement	2234.73	701.85	255.07	29.67
of Profit & Loss	2918.50	843.09	35.68	75.72

- i) Reconciliation of opening and closing balances of fair value of plan assets – There are no fund assets hence, not applicable.
- ii) Reconciliation of fair value of assets and obligations – There are no fund assets hence, not applicable.



30.23 SEGMENT INFORMATION AS PER ACCOUNTING STANDARD (AS -17) “SEGMENT REPORTING”

In opinion of the management, Company’s business activity mainly falls within a single primary business segment ‘Textiles Products’. The disclosures requirements of Accounting Standard – 17 (“AS-17”) “Segment Reporting” are not applicable.

30.24 RELATED PARTY DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS-18):

a) Name of the related parties:

i) Subsidiaries of the Company

Apollo Design Apparel Parks Limited
Goldmohur Design & Apparel Parks Limited
Aurangabad Textile & Apparel Parks Limited
New City of Bombay Manufacturing Mills Limited
India United Textile Mills Limited
Swadeshi Mining & Manufacturing Company Limited

ii) Associate of the Company:

Swadeshi Polytex Limited

iii) Key Managerial Personnel:

Mr. K. Ramachandran Pillai, Chairman and Managing Director (till 31.05.2013)
Mr. R. K. Sharma, Director (Technical) (till 30.11.2013)
Mr. R. K. Sinha, Director (Human Resource)
Mr. Alokendra Banerjee, Director (Marketing)
Mr. P. C. Vaish, Director (Finance)

30.24.1 Details of transactions relating to parties referred to in items (i), (ii) & (iii)

(₹ in Lakhs)

S. No	Particulars	Year	(i)	(ii)	(iii)
1.	Amount Payable at year end	2013-14	1391.09	-	-
		2012-13	1232.16	-	-
2.	Amount recoverable as at year end	2013-14	19.29	183.03	-
		2012-13	70.24	183.03	-
3.	Payments released	2013-14	2319.98	-	-
		2012-13	1381.50	-	-
4.	Payment received	2013-14	1577.24	-	-
		2012-13	9.45	-	-
5.	Doubtful Advance Outstanding as at year end	2013-14	1111.75	-	-
		2012-13	1111.75	-	-
6.	Purchases	2013-14	952.61	-	-
		2012-13	1347.17	-	-
7.	Sales	2013-14	-	-	-
		2012-13	6.76	-	-
8.	Dividend Received	2013-14	644.80	-	-
		2012-13	694.72	-	-
9.	Rent Received	2013-14	0.01	-	-
		2012-13	0.01	-	-
10.	Managerial Remuneration	2013-14	-	-	102.57
		2012-13	-	-	113.14

30.24.2 Non Financial Transactions

- i) The Company has executed a corporate guarantee of ₹1000.00 lakhs (Previous Year ₹ 1000.00 lakhs) as a co guarantor to SREI Infrastructure Finance Limited (SIFL) for the loan availed by Swadeshi Polytext Limited (SPL).
- ii) The managerial remuneration does not include provision for gratuity, leave encashment, LTC, Sick Leave & Terminal Benefits under Accounting Standard-15(Revised), since same is not available for individual employees.

30.25 OPERATING LEASE

30.25.1 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 in 2007 in respect of 5 mills to be revived through Joint Ventures. The mill-wise details of the same is as under:

(₹ In Lakhs)

Name of the Mill	Area of land (sq.mtr.)	Gross block (Net Block) value of land	Gross block (Net Block) value of building
Apollo Tex. Mills, Mumbai	*18,067	1.72 (1.72)	37.14 (4.51)
Gold Mohur Mills, Mumbai	30,149	1.29 (1.29)	1.34 (0.45)
New City of Bombay Mfg. Mills, Mumbai	27,106	1.00 (1.00)	3.59 (1.24)
Aurangabad Tex. Mills, Aurangabad	1,08,235	0.04 (0.04)	26.46 (2.72)
India United Mills No.1, Mumbai	86,006	282.84 (282.84)	84.53 (4.15)
Total	2,69,563	286.89 (286.89)	153.06 (13.07)

*Excluding set back area

30.25.2 As per lease agreement between NTC and the 5 Joint Venture Companies (JVC) dated 15.11.2007, lease of ₹ 100 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 five Subsidiary companies are as under:

Minimum Commitments on Lease	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Not Later than one year	500.00	500.00
Later than 1 year & not later than 5 years	2,000.00	2,000.00
Later than 5 years	10,310.00	10,810.00

Aggregate amount of rent received during the year under operating lease ₹ 500 (previous year ₹ 500) towards the lease rent received from the JVC 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. 21)**

30.25.3 40 Acres of land is taken on lease from Karnataka Industrial Area Development Board, Hassan on lease for 20 years by paying ₹ 559.25 lacs (Gross Block). The amount paid for land scaping and development charges is ₹ 146.06 lacs (Gross Block). As per the accounting Policy, premium paid on lease hold lands and development charges are amortized over the lease period. The amount amortized for the year 2013-14 works out to ₹ 36.18 lacs (Previous year ₹ 36.08 lacs).

The liability in respect of lease rent and maintenance charges payable for New Minerva Mills, Hassan is as under :-

(₹ in Lakhs)

Sl. No	Particulars	Not later than one year	Later than one year and not over five years	Later than five years
1.	New Minerva Mills, Hassan	1.60	6.40	13.33

30.25.4 The Sub Office owns a residential flat at Asiad Village, Delhi and the same has been given under operating lease for the period of three years for which the agreement can be terminated by either party early by terms. The lease arrangement is renewable on the expiry of lease period subject to mutual agreement.

Lease receipts of ₹ 4.32 Lakhs (previous year ₹ 4.32 Lakhs) are recognized in the statement of Profit and Loss account as per terms of agreement. The future lease receipts are:-

(₹ in Lakhs)

Particulars	2013-14	2012-13
Within One year	3.24	4.32
Later than one year and not over five years	-	3.24

30.26 EARNING PER SHARE ('EPS') PURSUANT TO ACCOUNTING STANDARD – 20 ('AS-20') HAS BEEN CALCULATED AS FOLLOWS

Particulars	Current year (2013-14)	Previous Year (2012-13)
(i) Profit after Taxation (₹ in Lakhs)	(17571.06)	8511.70
(ii) No. of Equity Shares	30621601	30621601
(iii) Basic earnings per Share (in ₹)	(57.38)	27.80
(iv) Diluted earnings per Share (in ₹)	(57.38)	27.80
(v) Par value per Equity Share (in ₹)	1000.00	1000.00
EPS excluding Extraordinary Items	Current year (2013-14)	Previous Year (2012-13)
(i) Profit/(Loss) after Taxation (₹ in Lakhs)	(17620.17)	(1650.82)
(ii) No. of Equity Shares	30621601	30621601
(iii) Basic earnings per Share (in ₹)	(57.54)	(5.39)
(iv) Diluted earnings per Share (in ₹)	(57.54)	(5.39)
(v) Par value per Equity Share (in ₹)	1000.00	1000.00

30.27 ACCOUNTING STANDARD (“AS 24”) – DISCONTINUING OPERATIONS

The Company is in the process of restructuring, rehabilitation and modernizing the units. In this process, some of the unviable units are closed down and Company is in the process of modernizing some units through Joint Venture. The old surplus assets are being sold and the usable assets have been identified, renovated and utilized for viable units to modernize and expand capacity. As such, Company is continuing all activities of operations and, hence, in the opinion of the management, the Accounting Standard AS-24 relating to Discontinuing Operations is not applicable. The closing down of the unviable units, transferring of five mills to JV Companies and utilizing surplus assets for viable units or realizing residual value of such assets are part of restructuring exercise to achieve viability and hence, there are no “Discontinuing Operations” for the Company as a whole.

Though the assets are being disposed off piecemeal, there is no settlement of liabilities individually against such disposal. The discontinuing activities do not represent a separate major line of business or geographical areas of operations as the Company continues all its activities.

30.28 ACCOUNTING STANDARD (“AS 28”) – IMPAIRMENT OF ASSETS

In the opinion of the management, the recoverable amounts of the assets held for disposal are more than the carrying amount and, therefore, provision for impairment of assets is not required.

30.29 MICRO, SMALL AND MEDIUM ENTERPRISES

Trade payable (**Note No. 8**) includes the dues of sundry creditors amounting to ₹ 33.90 Lakhs (Previous Year ₹ 38.23 Lakhs) including overdue interest of ₹ NIL (Previous Year – ₹ NIL) relating to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the various sub offices of the Company.

30.30

A) CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Plant & Machinery	1,302.81	27,432.50
2	Civil Works	315.52	8,344.07
3	Other	176.48	4,463.26
	Total	1,794.81	40,239.83

B) RAW MATERIAL CONSUMED

(₹ in Lakhs)

S.No	Particulars	2013-14	2012-13
1	Cotton	40,023.72	28,941.25
2	Polyester Fibre	24,413.48	21,734.51
3	Viscose Fibre	1,114.24	771.25
5	Yarn Purchased	42.70	6.13
4	Packing Material	1,205.28	978.43
	Total	66,799.42	52,431.57

C) GOODS PURCHASED FOR TRADING

(₹ in Lakhs)

S.No	Particulars	2013-14	2012-13
1	Yarn	1,269.55	1,361.34
2	Cloth	4,172.10	3,577.06
3	Readymade	1,694.91	3,122.56
	Total	7,136.56	8,060.96

D) VALUE OF IMPORTS ON C.I.F. BASIS

(₹ in Lakhs)

S.No	Particulars	2013-14	2012-13
1	Raw materials	-	-
2	Components & spare parts	76.78	67.07
3	Capital goods	239.56	1,657.67
	Total	316.34	1,724.74

E) VALUE OF CONSUMPTION

(₹ in Lakhs)

S.No	Particulars	2013-14		2012-13	
		Value	%	Value	%
1.	RAW MATERIALS				
a)	Indegenous	66,799.42	100%	52,431.57	100%
b)	Imported	-	-	-	-
	Total	66,799.42	100%	52,431.57	100%



2.	COMPONENTS & SPARE PARTS				
a)	Indegenous	3,339.92	98.18%	2,417.20	94.34%
b)	Imported	62.05	1.82%	145.10	5.66%
	Total	3,401.97	100%	2,562.30	100%
3.	CAPITAL GOODS				
a)	Indegenous	8,840.55	100%	3,621.03	96.12%
b)	Imported	-	-	146.08	3.88%
	Total	8,840.55	100%	3,767.11	100%

F) EARNINGS IN FOREIGN EXCHANGE

(₹ in Lakhs)

S.No	Particulars	2013-14	2012-13
a)	Export of goods on F.O.B. Basis	4,510.99	8,415.97
	TOTAL	4,510.99	8,415.97

G) EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

S.No	Particulars	2013-14	2012-13
1	Royalty, Know-how, professional & consultation fees	-	-
2	Interest and Dividend	-	-
3	Others	12.29	58.20
	TOTAL	12.29	58.20

H) PAYMENT TO AUDITORS

(₹ in Lakhs)

S.No	Particulars	2013-14	2012-13
1.	Audit fee	34.67	32.36
2.	Tax Audit	10.40	9.45
3.	Other Services	4.22	5.14
4.	Reimbursement of Expenses	9.26	6.83
	TOTAL	58.55	53.78

30.31 GENERAL

30.31.1 Confirmations from trade receivables, short term loans & advances, trade payables, other current liabilities, other long term liabilities etc. have been obtained from major trade receivables (78.36%), Short term loans & advances (99.99%), trade payables (80.96%), other current liabilities (96.70%), other long term liabilities (83.42%).

30.31.2 Short terms loans & advances – Due from Others (Note No. 18) includes a bridge loan of ₹ 7071.00 Lakhs given to British India Corporation Limited (BIC) for settlement of secured creditors as per the directions of Ministry of Textiles with the concurrence of Ministry of Finance which was to be repaid in terms of the sanction through budgetary allocation in 2011-12.

In terms of various MoUs with BIC for release of above and other loans, interest of ₹ 1899.57 Lakhs is outstanding as on 31.03.2014 (Note No. 19 – Interest Accrued on Deposits, Loans & Advances).

Interest accrued of ₹ 213.02 Lakhs (Previous Year: - ₹ 161.95 Lakhs) has not been acknowledged by BIC.

30.31.3 ₹ 183.03 (Previous Year:- ₹ 183.03 Lakhs) recoverable from Swadeshi Polytex Limited (Associate) has been considered good and is subject to reconciliation and confirmation with Swadeshi Polytex Limited. **(Note No. 18)**

30.31.4 During the year 2009-10 a major fire occurred in the Gold Mohur Mills in which certain portion of buildings were damaged. Since all the buildings of the Mills has been given on lease to Gold Mohur Design and Apparel Park Ltd. (JVC), claim in respect of the said assets destroyed in the fire has been lodged by the JVC with Future Generali India Insurance Company Ltd. for which surveyor has assessed an amount of ₹ 91.96 Lakhs excluding the scrap generated out of the blocks destroyed amounting to ₹ 6.43 Lakhs as assessed by the surveyor. The scrap generated amounting to ₹ 6.43 Lakhs has already been accounted in the Books during the year 2011-12 as other current assets. Necessary effect in the financial will be given when the claim is admitted by the insurance company.

30.31.5 On basis of Revenue Recovery Certificates issued against company for non-payment of gratuity to some workers, Tehsildar Indore sealed premises of Sub Office Indore on 22.01.2014, General Manager's office of Indore Malwa United Mills, Indore on 01.02.2014 and showroom of Marketing Division, Indore on 13.02.2014. Book of accounts and other records in respect of Indore Malwa United Mills, Indore, Hira Mills, Ujjain, Sub Office Indore and Showroom – Indore pertaining to period prior to sealing of premises are unavailable and could not be produced for audit due to action of Tehsildar, Indore.

Accounts of above units for the year have been finalized on the basis of records and other information available. Since, these are either closed units or units having nominal financial transactions viz employee benefits expenses, administrative expenses etc. accounting has been done in audited accounts of these units based upon management estimates. In opinion of management, non availability of accounting and other records of these units is not expected to have any material effect on financial statements of the year.



Company has filed Special Leave Petition in Supreme Court against action of Tehsildar, Indore, which is pending for decision.

- 30.31.6 The Company has defaulted the payment of outstanding amount and interest on Cash Credit Accounts to State Bank of Mysore in respect of Kaleeswar Mills and Somasundra Mills to the extent of ₹ 75.45 lakhs. The Southern Regional Office has submitted application for waiver of entire interest of ₹ 75.45 lakhs. **(Note No. 7)**
- 30.31.7 Previous Year's figures have been regrouped / rearranged wherever necessary.

Sd/-
Pankaj Agarwal
Company Secretary

Sd/-
P. C. Vaish
Director (Finance)

As per our separate report of even date attached
For **Jagdish Chand & Co.**
Chartered Accountants
(Firm Registration No. 000129N)

Sd/-
R. K. Sinha
Chairman & Managing Director

Sd/-
(Praveen Kumar Jain)
(Partner)
Membership No. 085629

Place : New Delhi
Date : 16th July, 2014

INVESTMENT
FINANCIAL YEAR 2013-14

S. NO.	SUB OFFICE/NAME OF THE COMPANY	NO. OF SHARES	FACE VALUE PER SHARE (₹)	COST PRICE TOTAL VALUE (₹)	MARKET RATE PER SHARE (₹)	MARKET VALUE (₹)	PROVISION AS ON (₹) 31.03.2014
1	2	3	4	5	6	7	(5-7)
	Non Current Investments						
1	Trade Investments						
	Investment in Subsidiary Companies						
	Aurangabad Textile & Apparel Parks Ltd.	1060800	10.00	10,608,000.00	-	-	-
	New City Of Bombay Mfg. Mills Ltd.	4676700	10.00	46,767,000.00	-	-	-
	Apollo Design Apparel Parks Ltd.	2881500	10.00	28,815,000.00	-	-	-
	Goldmohur Design & Apparel Parks Ltd.	2983500	10.00	29,835,000.00	-	-	-
	India United Textile Mills Ltd.	6482610	10.00	64,826,100.00	-	-	-
	Swadeshi Mining & Mfg. Ltd.	1718344	10.00	16,580,153.00	NA		16,580,153.00
	Total			197,431,253.00			16,580,153.00
	Grand Total			197,431,253.00		-	16,580,153.00
2	Other Investments						
	Quoted						
	NTC-HO						
	Lakshmi Machine Works Ltd.	480	10.00	1,000.00	3,049.15	1,463,592.00	-
	Total - HO			1,000.00		1,463,592.00	-
	NTC (UP)						
	Century Tex. & Ind Ltd	480	10.00	512.00	362.65	174,072.00	-
	Standard Ind Ltd	84	5.00	215.00	10.93	918.12	-
	Dhanlaxmi Mills Ltd	150	10.00	2,603.00	-	-	2,603.00
	Binny Ltd	67	10.00	3,591.00	74.50	4,991.50	-
	S. V. Global Mills Ltd.	470	5.00	-	-	-	-
	Total - UP			6,921.00		179,981.62	2,603.00



S. NO.	SUB OFFICE/NAME OF THE COMPANY	NO. OF SHARES	FACE VALUE PER SHARE (₹)	COST PRICE TOTAL VALUE (₹)	MARKET RATE PER SHARE (₹)	MARKET VALUE (₹)	PROVISION AS ON (₹) 31.03.2014
1	2	3	4	5	6	7	(5-7)
	NTC (DPR)						
	Akzo Nobel India Ltd (Formerly ICI India Ltd)	15	10.00	325.00	897.35	13,460.25	-
	Arvind Ltd	13	10.00	383.00	173.60	2,256.80	-
	The Maftal Lal Fine Spg & Mfg Co Ltd	1	100.00	445.00	NA		445.00
	The Khatau Makanji Spg & Wvg Mills Co. Ltd.	1	100.00	128.00	NA		128.00
	The Shree Niwas Cotton Mills Ltd	5	100.00	765.00	NA		765.00
	Mafattal Engg. Ind. Ltd.	366	100.00	35,600.00	NA		35,600.00
	Total - DPR			37,646.00		15,717.05	36,938.00
	NTC (WRO)						
	The Phoenix Mills Ltd	250	2.00	81.00	246.95	61,737.50	-
	The Century Spg. & Wvg. Co. Ltd.	250	10.00	740.00	362.65	90,662.50	-
	The Simplex Mills Co. Ltd.	7	10.00	79.00	7.00	49.00	30.00
	The Morarjee Gokuldas Spg. & Wvg. Co Ltd. (Now- Peninsual Land)	400	7.00	1.00	32.05	12,820.00	-
	The Bombay Dying & Mfg Co. Ltd.	125	2.00	272.00	55.30	6,912.50	-
	The Swan Mills Co. Ltd.	500	2.00	1,026.00	62.25	31,125.00	-
	The Dawn Mills Co. Ltd. (Peninsual Land)	100	2.00	1.00	32.05	3,205.00	-
	The Victoria Mills Ltd.	1	100.00	150.00	1,670.00	1,670.00	-
	Total - WRO			2,350.00		208,181.50	30.00
	NTC (GUJARAT)						
	Govt Securities			6,812.00	NA		6,812.00
				6,812.00			6,812.00
	Grand Total			54,729.00		1,867,472.17	46,383.00

**OTHER INVESTMENTS
FINANCIAL YEAR 2013-14**

S. NO.	SUB OFFICE/NAME OF THE COMPANY	NO. OF SHARES	FACE VALUE PER SHARE (₹)	COST PRICE TOTAL VALUE (₹)	MARKET RATE PER SHARE (₹)	MARKET VALUE (₹)	PROVISION AS ON (₹) 31.03.2014
1	2	3	4	5	6	7	(5-7)
	Other Investments Un-Quoted						
	NTC (DPR)						
	Kohinoor Mill	1	100.00	175.00	NA		175.00
	Tata Mill	1	25.00	33.00	NA		33.00
	Ucm Sehkari Upbhokta Bhandar, Udaipur	10	10.00	100.00	NA		100.00
	Total			308.00			308.00
	NTC (MP)						
	Govt Securities			8,100.00	NA		8,100.00
	Mafatlal Engg. Ind. Limited	929	100.00	92,900.00	NA		92,900.00
	Indore Cloth Market Warehouse Ltd	21	100.00	2,100.00			
	Delhi Ahilya New Cloth market Co Ltd	20	100.00	2,000.00			
	Total			105,100.00			101,000.00
	NTC (UP)						
	C.P. Properties	6900	100.00	697,775.00	NA	-	697,775.00
	Beard Sell Ltd	90	10.00	2,380.00	NA	-	2,380.00
	Mafatlal Engineering Ind. Ltd.	100	100.00	10,000.00	NA	-	10,000.00
	Dalhousi Holding Limited	3650	100.00	381,619.00	NA	-	381,619.00
	Elgin Mills Co. Ltd.	50	10.00	275.00	NA	-	275.00
	Cawnpore Textile Mills	50	5.00	112.00	NA	-	112.00
	Total			1,092,161.00			1,092,161.00
	INVESTMENTS IN ASSOCIATES						
	Swadeshi Polytex Ltd.	1311750	10	14,542,243.50	NA		14,542,243.50
	NTC (WRO)						
	Shree Nivas Cotton Mills Ltd.	1	100.00	168.00	NA		168.00
	Swadeshi Mill Co. Ltd.	10	10.00	178.00	NA		178.00
	Khetau Makanji Spg. & Wvg. Co. Ltd.	1	100.00	1.00	NA		1.00



S. NO.	SUB OFFICE/NAME OF THE COMPANY	NO. OF SHARES	FACE VALUE PER SHARE (₹)	COST PRICE TOTAL VALUE (₹)	MARKET RATE PER SHARE (₹)	MARKET VALUE (₹)	PROVISION AS ON (₹) 31.03.2014
1	2	3	4	5	6	7	(5-7)
	Standard Mills Co. Ltd.	60	10.00	1,204.00	NA		1,204.00
	Mafatlal Fine Spg. & Wvg. Co. Ltd.	5	100.00	361.00	NA		361.00
	Bradbury Mills Ltd.	5	50.00	845.00	NA		845.00
	Laxmi Vishnoo Cotton Mills Ltd.	1	100.00	63.00	NA		63.00
	Mafatlal Engineering Ind. Ltd. Mumbai	251	200.00	25,100.00	NA		25,100.00
	Tata Services Ltd.	175	1,000.00	175,000.00	-		
	Associated Buildings Ltd.	250	1,000.00	75,000.00	-		
	Cesta Bella Co-Hsg Soc.	50	10.00	500.00	-		
	Rosary Co-Hsg Soc.	10	100.00	1,000.00	-		
	Gulmohur Co-Hsg Soc.	5	50.00	250.00	-		
	New Piece Goods Bazar Co. Ltd.	240	100.00	24,000.00	-		
	New Piece Goods Bazar Co. Ltd.(Bonus)	192	100.00	-			
	Total			303,670.00			27,920.00
	NTC (GUJARAT)						
	Others			11,792.00	-		9,900.00
	Total			11,792.00			9,900.00
	NTC(SRO)						
	United Bleachers Limited				125,000.00	NA	125,000.00
	Others			56,385.00	-		17,605.00
	Western India Ind. Corp. Ltd.			15,000.00			-
	Government Securities			1,000.00			-
	Total			197,385.00			142,605.00
	NTC (WBABO)						
	Other Investment			98,718.00	NA		98,718.00
	Total			98,718.00			98,718.00
	Total Other Investment (Un-Quoted)			16,351,377.50		-	16,014,855.50
	Total Other Investments			16,406,106.50		1,867,472.17	16,061,238.50
	Total Investments			213,837,359.50		1,867,472.17	32,641,391.50
	Net Non-Current Investments						181,195,968.00

STATEMENT PURSUANT TO SEC 212 (1) (e) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Aurangabad Textiles & Apparel Parks Ltd. (SP-Alok Industries Ltd.)	New City of Bombay Mfg. Mills Ltd.(SP-Alok Industries Ltd.)	Apollo Design Apparel Parks Ltd. (SP-Pantaloon Retail {India} Ltd.)	Goldmohur Design & Apparel Parks Ltd. (SP-Pantaloon Retail {India} Ltd.)	India United Textiles Mills Ltd. (SP – Bhaskar Ind. Ltd.)
1. The extent of holding company's interest in the subsidiary at the end of the financial year 31.03.2014					
- No. of Shares	1060800	4676700	2881500	2983500	6482610
- Paid up value of Shares (₹ In Lakhs)	106.08	467.67	288.15	298.35	648.26
- Percentage of Holding Company's interest in the total share capital of the subsidiary	51%	51%	51%	51%	51%
2. The net aggregate amount of the profit of the subsidiary company not dealt with in the company's accounts so far as it concerns the members of the holding company: (₹ In Lakhs)					
- For the financial year ended 31.03.2014	7.41	30.91	165.37	166.12	23.84
- For all the previous financial years of the subsidiary	NIL	NIL	NIL	NIL	NIL
3. The net aggregate amount of the profit of the subsidiary company so far as its profits are dealt with in the holding company's accounts: (₹ In Lakhs)					
- For the financial year ended 31.03.2014	NIL	NIL	NIL	NIL	NIL
- For all the previous financial years of the subsidiary	NIL	NIL	NIL	NIL	NIL

DETAIL OF LOAN RECEIVED FROM GOVT. OF INDIA FROM 1994-95 ONWARDS

Financial Yr.	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	202848.47	12300.00	25106.26			190042.21	80637.88	3154.97	26689.06		57103.79
1995-1996	190042.21	23500.00				213542.21	57103.79	655.97			57759.76
1996-1997	213542.21	33300.00				246842.21	57759.76	6133.03			63892.79
1997-1998	246842.21	49964.00				296806.21	63892.79	20834.68			84727.47
1998-1999	296806.21	40800.00				337606.21	84727.47	27032.81			111760.28
1999-2000	337606.21	49400.00				387006.21	111760.28	34661.05			146421.33
2000-2001	387006.21	49400.00				436406.21	146421.33	45935.43			192356.76
2001-2002	436406.21	38500.00		2800.00		472106.21	192356.76	55125.70		833.41	246649.05
2002-2003	472106.21	35047.00				507153.21	246649.05	62244.08			308893.13
2003-2004	507153.21	32470.45		251479.00		288144.66	308893.13	46500.76	45291.78	144568.00	165534.11
2004-2005	288144.66	25717.00				313861.66	165534.11	51152.55			216686.66
2005-2006	313861.66	26400.00				340261.66	216686.66	55427.51			272114.17
2006-2007	340261.66	6250.00				346511.66	272114.17	60945.06			333059.23
2007-2008	346511.66	6250.00				352761.66	333059.23	61977.37			395036.60
2008-2009	352761.66	14500.00			340261.66	27000.00	395293.60	2014.78	120579.85	272713.00	4015.53
2009-2010	27000.00	0.00				27000.00	4015.53	4069.46			8084.99
2010-2011	27000.00	0.00				27000.00	8084.99	4157.66			12242.65
2011-2012	27000.00	0.00				27000.00	12242.65	4334.32			16576.97
2012-2013	27000.00	0.00				27000.00	16576.97	4476.53			21053.50
2013-2014	27000.00	0.00				27000.00	21053.50	4595.28			25648.78
TOTAL		443798.45	25106.26	254279.00	340261.66			555429.00	192560.69	418114.41	

Note: * Includes Loan of ₹ 175.00 Lacs directly given by GOI to erstwhile NTC (MN) Ltd.

** Includes Interest of ₹ 257.00 Lacs provided on above loan given to erstwhile NTC (MN) Ltd