



INDEPENDENT AUDITOR'S' REPORT

TO THE MEMBERS OF NATIONAL HANDLOOM DEVELOPMENT CORPORATION LIMITED

(I) Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **NATIONAL HANDLOOM DEVELOPMENT CORPORATION LIMITED** ("the Corporation"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended, in which are incorporated the Returns for the year ended on that date audited by the auditors of the Corporation's Regional Offices at National Handloom Development Corporation Limited- Kerala, Kolkata, Varanasi, Panipat, Hyderabad and Coimbatore. The detail of Regional Offices and the respective Statutory Auditors have been indicated as under-

Sl. No.	Name of the Regional Office	Name & Address of the Branch Statutory Auditors
1	National Handloom Development Corporation Limited, Kannur, Kerala	M/s. Jacob & George, Chartered Accountants, B.B. Complex, South Bazar, Kannur- 670002
2	National Handloom Development Corporation Limited, Kolkata, West Bengal	Mishra & Mishra, Chartered Accountants, 1/1C Goa Bagan Street 1 st Floor, Kolkata-700006
3	National Handloom Development Corporation Limited, Varanasi, Uttar Pradesh	M/s. Krishna Anurag & Co. Chartered Accountants, C-27/273-C-14,1st Floor, Indian Press colony, Maldahiya, Varanasi-221002
4	National Handloom Development Corporation Limited, Panipat, Haryana	M/s. J.K. Verma & Co. Chartered Accountants 191,FF,HUDA, Sector-1-12, Phase-II, Panipat (Haryana)-132103
5	National Handloom Development Corporation Limited, Hyderabad, Andhra Pradesh	M/s. D.K. Rao & Associates, Chartered Accountants, 402, Prashanth Towers, Plot No.8, Srinivasa Nagar(W) Hyderabad-500038

6	National Handloom Development Corporation Limited, Coimbatore, Tamilnadu	M/s. GGA & Associates, Chartered Accountants No.62, Kondasamy Layout, Kalidas Road, Ram Nagar, Coimbatore-641009
---	--	--

(II) Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting record, relevant to preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statements, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone financial statements.

(III) Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit also involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

(IV) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, of the state of affairs of the Corporation as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

(V) Emphasis of matters:

- 1.1 During course of examination of the financial records, it has been observed that a total payment of Rs.1,36,15,996.00 (TDS on account of income tax 10% separately) to M/s Sikka Associates Architects for Trade Facilitation Center (TFC) at Varanasi, was made during FY 2015-16 as part payment. This has been disclosed in note on account of NHDC as on 31-03-2016 vide item no 4 (C) & (e) where this payment has been included. As per agreement with the Architect which was executed on 29.06.2015, under para 13 of the General Condition of the Agreement, fee of 1.38% (estimated payment Rs.2.76 crores based on Rs.200 crores as estimated project cost of TFC) of the actual construction cost is depicted. We could only verify the payment made to the said firm. The selection of the party was made by Government of India vide their File No. 3/10/2014/DCH/P&E/TFC&CM/(6)/1 of dated 29/06/2015 and other connected G.O. The payment of Rs.1,36,15,996.00 includes service tax of Rs.22,25,760.00. The payment of service tax paid by the Corporation to Architect is required to be deposited by the Architect in the account of Revenue Tax Authority. The copies of the payment challan of the service tax may be obtained from the party to ensure that the above amount of service tax has been paid in the account of Government.
- 2.1 The Government of India Ministry of Textiles, office of Development Commissioner for Handloom, New Delhi vide its File No. 3/10/2014/DCH/P&E/TFC&CM/(6)/1 dated 29 June 2015 and other connected G.O., sanctioned grant-in-aid Rs 3,11,46,400.00 for setting up of Trade Facilitation Center (TFC) and Crafts Museum at Bada Lalpur, Varanasi against the total estimated cost of project Rs. 200 Crore. During F.Y.2015-16 funds received for the above project Rs. 78.10 crores [Refer note no. 4 (C)(a)]. It has been noticed that Corporation has opened an ESCROW account at Varanasi and subsequently New Delhi. Funds are received from Ministry of Textile in Trust Related Account of NHDC. Later on funds are transferred to ESCROW Bank Account by Corporation. The Corporation has transferred Rs.75.08 Crores to the Escrow-bank account of NHDC to NBCC bank account for making the various payments for the Project which is going on at Varanasi during F.Y. 2015-16. We have not been provided duly audited accounts of TFC for the above transfer of fund. There are several conditions, enumerated in the Government Order dated 29/06/2015 issued by the Government of India and MOU between NHDC & NBCC, which are required to be complied with including selection of contractors based on CPWD/CVC Guidelines, keeping of subsidiary records, internal audit, certification of expenditure by Chartered Accountant and C&AG Audit report (if any) of TFC Project etc. . During our audit, we did not find even single documentary evidence in record of NHDC for the payment to various agencies involved in execution of work on the project except Sikka Associates (Architect). We had observed that the above conditions of the G.O. in question have not been complied by the NHDC. Therefore, we cannot make any comments on

the above transfer of fund as to how these funds have been utilized by NBCC which is implementing agency of the TFC. In the absence of any documentary evidence, we are unable to make any comment on the working of above project except the transfer of funds from NHDC Lucknow to ESCROW Bank Account to NBCC Bank Account.

3.1 The Corporation has shown total revenue from operation (sales) Rs. 2406.04 crores and purchase of stock in trade Rs. 2495.76 crores as per financial statements. These purchases and sales have been shown in the financial statements through documentary evidences which are available at Regional Offices. We visited and inspected the documents on test basis relating to these transactions at Branch Office, Lucknow/Regional Office, Varanasi of NHDC and found that there is no physical movement of material at the NHDC Lucknow/Varanasi Office. There is no physical movement of materials from seller to NHDC and NHDC to purchaser (actually Purchased material from seller is moving from seller to purchaser (agency) directly without involvement of NHDC Offices).

4.1 While scrutinizing the list of sundry debtors and creditors of NHDC vide note no.16 - Current Assets- (Trade Receivables) and note no. 7 Current Liabilities (Trade Payables) , it has been observed that the outstanding balance against the sundry debtors is Rs. 223.67 crores and sundry creditors is Rs. 259.42 crore in the balance sheet as at 31/03/2016. The amounts against sundry debtors/creditors are increasing every year and substantial amount is outstanding for more than three years. It seems that the Corporation has not been making any recovery efforts of old debtors/creditors. For example, Rs. 92.85 lacs is outstanding in case of M/s ACASH and Rs. 50.60 lacs in case of M/s J.K. Education-Department- Fabric for more than five years in case of Regional Office, Varanasi. We are of the view that the Corporation should appoint an independent agency for verification of actual debtors/creditors which are existing in the books of account in NHDC for more than three year to ascertain the factual position of the debtors/creditors.

5.1 The Corporation has made the payment of penal interest during assessment year 2015-16 under Section 234c of Income Tax Act 1961. This was due to variation in the estimation of profit of the Corporation.

6.1 As per the GOI order No.6/1/2012- DCH/P&S of Dated 17/01/2014 issued from the Ministry of Textiles of Government of India in length in connection to Guidelines of Yarn supply scheme for implementation during the remaining period of 12thfive year plan. Under this scheme, NHDC has claimed subsidy for reimbursement of transportation/depot charges and 10% subsidy on yarn supply to the agencies.

The audit team reviewed this Guidelines and found that under para 4; sub para 4.3, "the user agencies should use the yarn under the scheme for captive production of cloth on handloom or for supply to their member societies/ weavers directly enrolled under them by passing on the benefits of the scheme to them in full." Each user agency will furnish to NHDC an undertaking to this effect in the format prescribed at ANNEXURE-1 of the scheme guidelines. We have found that NHDC has implemented this scheme for end use of subsidy at the level of user agencies after getting undertaking as per Annexure-1 enumerated as above. It is pointed out that the Corporation has no system to verify about the status of renewal of incorporation of the agencies / co-operative societies etc.

Our opinion is not modified in respect of these matters.

(VI) Other Matter

- 1.1 The Corporation has constituted a Committee relating to observance of financial norms before releasing the revenue expenditure as 'Revenue Expenditure Committee' by order dated 28th October, 2014. During course of examination of payment vouchers on test basis pertaining to financial year 2015-16, in most of the cases, it has been observed that the Members of the Committee were either on leave/on tour when the concerned payment case was put up for their recommendation. Ultimately, the file was sent to the Managing Director for approval of the expenditure and the payments were released subsequently after obtaining the approval of the competent authority.
- 2.1 The Corporation has made the payments by adopting a method of three tier system for payment to third party, instead of making the payments directly to the agencies with whom, the Corporation has availed the services/supplies.
- 3.1 The Corporation has extended various facilities to the employees of the Corporation including the diseased and retired employees. Details of various facilities are provided in Enclosure-A. In our view, these facilities may be got approved again by putting Board Note in a consolidated form so the Board may aware about the financial benefits extended to employees.
- Our opinion is not modified in respect of these matters.

(VII) Report on Other Legal and Regulatory Requirements:

- 1) As required by the companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2) As required by Section 143(5) of the Act, we give in Annexure-B, a statement on the Directions and Sub-directions issued by the Comptroller & Auditors General of India.
- 3) As required by the Section 143(3) of the Act, we report that
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In Our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The reports on the account of the Regional Offices of the Corporation, audited under Section 143 (8) of the Act by Regional Offices auditors have been sent to us and have been properly dealt with by us in preparing our report.
 - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flows Statement dealt with by this Report are in agreement with the books of account and with the returns received from the Regional Offices not visited by us.
 - e) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Company (Accounts) Rules, 2014.
 - f) As per notification no G.S.R. 463(E) dated June 5, 2015, the Government Companies are exempted from the provisions of section 164(2) of the Act.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in “Annexure- C”.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note on account in 16(ii) for debtors, Refer Note on account in 18(iii) foot note, 18(vii) foot note, Refer Note on account in 31(1)(A) to the financial statements.
- ii) The Corporation does not have any long term contracts including derivative contracts, hence, not applicable.
- iii) It is found that clause relating to delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Corporation is not applicable.

For A.SRIVASTAVA & CO.
Chartered Accountants
(F.R.N. 11001C)

Place: New Delhi.

Date: 16th September 2016

Sd/-
(CA Akhilesh Kumar Srivastava)
(Membership No. 089673)

**ENCLOSURE OF INDEPENDENT AUDIT REPORT FOR FINANCIAL YEAR 2015-16 OF NATIONAL
HANDLOOM DEVELOPMENT CORPORATION, LUCKNOW.**

ENCLOSURE-A DETAIL OF BENEFITS (EXCLUDING SALARY PER MONTH) TO OFFICERS AND STAFF-

Sr. No.	NAME OF BENEFITS	BASIS OF GRANTING BENEFITS
1	Medical Reimbursement to including current employees, spouse and dependent	Basic+ D.A. of 1 month: Maximum upto Rs. 25000/- p.a.
2	Conveyance Reimbursement	Rs. 3000/- p.m. for 4 Wheeler Manager & above Rs. 1100/- pm for 2 Wheeler to Superintendent & above, Rs. 600/- p.m. for 2 wheeler upto Jr. Assistant & below.
3	Education of Children	Rs. 125/-pm for tuition fee + Rs. 50 pm for school conveyance per child subject to maximum of 2 children. Scholarship Rs. 600 p.a. for meritorious students (60%& above). 2 nd class return fare once in a year for children studying outstation.
4	Books & Periodicals	Rs. 150/-pm: Manager & above
5	Ex- gratia	15% of (basic+ DA). Basic+ DA is considered as on 31 st March (year ended), i.e., (Basic + DA) as on 31 st March *15%*12
6	Gratuity	As per Government Rules.
7	LTC	(i) Home Town LTC Twice in block of four years OR (ii) Once all India and one Home Town in a block of 4 years
8	Leave Encashment	(Basic +DA) * No. of Leaves encashed/30
9	Medical Corpus Fund for retired employees	Rs. 3000, Rs. 7000 and Rs. 10000 as per eligibility.

ANNEXURE TO THE AUDITORS' REPORT OF
NATIONAL HANDLOOMDEVELOPMENT CORPORATION LIMITED
FOR FINANCIAL YEAR 2015-16

S.No	PARTICULARS	Our Reply
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.	The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals, whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts.	All the Fixed Assets have been physically verified by the Management during the year at regular intervals. No material discrepancies were found.
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof.	Property at Mumbai amounting to Rs. 2163293.00 is pending for transfer formality of the property and the registration with appropriate authority. Conveyance deed of R.O. Kolkata Building is available on records but registered documents of property not found.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account.	As informed to us, physical verification of inventory is conducted by the Management at regular intervals. In the opinion of Statutory Auditors of Regional Offices the frequency of verification is reasonable. However, only the documentary records are maintained for purchase and sale of yarn etc. at the respective R.O. The physical movement of above material could not be shown to audit.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, if so.	The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership of other parties covered in the register maintained under section 189 of the Companies Act, 2013.

	(a)Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable
	(b)Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular.	Not Applicable
	(c)if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	Not Applicable
(iv)	In respect of loans, investments, guarantees and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Not Applicable
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable ,have been complied with? If not, the nature of such contraventions be stated, if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits. In view of this the provisions of section 73 to 76 or any other relevant provision of the Companies Act, 2013 does not apply.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Companies Act 2013 and whether such accounts and records have been so made and maintained.	The Corporation is not required to maintain the cost records, as the Central Government has not prescribed to maintain cost records under section 148(1) of the Companies Act, 2013.
(vii)	(a)Whether the company is regular in depositing undisputed statutory dues	The corporation is regular in depositing undisputed statutory dues including provident

<p>including provident fund, employees' state insurance, income tax sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the day they became payable, shall be indicated.</p>	<p>fund Income Tax including TDS. Employees' state insurance and Sales Tax with the appropriate authorities. The payments of customs duty, excise duty and Cess are not applicable to the Corporation.</p>
<p>(b)Where dues or income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (A mere representation to the concerned Department shall not be treated as a dispute).</p>	<p>According to the records of the Corporation, no undisputed amounts payable in respect of Sales Tax, Professional Tax is pending. The Corporation is yet to make the payment of Self Assessment Tax 2016-17. However, the Statutory auditors of the under noted Regional Offices of the Corporation have indicated the pendency of the statutory dues like Sales Tax.</p> <p><u>1) Regional Office Panipat-</u></p> <p>i. Sales Tax Rs. 13642661/- (Previous Year Rs. 13642661/-) the Trade Tax Department Maharashtra has passed an order in respect of Dyes and Chemical Office Mumbai raising a demand of Rs. 11220365/- (including interest of Rs. 5747016/-) for the financial year 2006-07 U/S 6(2) of CST Act. The Corporation has filed an appeal against these Financial Year, which has been admitted for final hearing on part payment of Rs.1500000/- against the Financial Year2006-07 and Rs. 375000/- against the Financial Year 2007-08. The Corporation has deposited the said amount of Rs. 1500000/- (F.Y. 2006-07) and Rs. 375000/- (F.Y. 2007-08) on 22nd Oct 2014 and 19 Jan 2015 respectively.</p> <p>ii. During the year 2015-16 a notice of demand for Rs. 10130377.00 raised under HVAT A/C 2003 Vide order dated 16.06.2015 under revision order of assessment year 2009-10 on the ground that the grant in aid worth Rs.</p>

		<p>148522539.00 reimbursed to the purchasing dealers on account of Transport Charges should be added to the gross turnover hence the Vat should be imposed on the amount of grant in aid. The NHDC has challenged the order and filed the suit in Haryana Vat Tribunal Chandigarh.</p> <p>iii. During the year 2015-16 a notice of demand for Rs. 70061.00 raised under HVAT A/C 2003 Vide order dated 07.07.2015 under revision order of assessment year 2009-10.</p> <p><u>2. Regional Office Coimbatore-</u> For the financial year 2011-12 & 2012-13, the Sales Tax Deptt. arbitrarily rejected some of the exempted sales claimed by the R.O. Coimbatore and raised a demand of Rs. 53.88 Lacs. This order has been challenged by the R.O. in the Hon'ble Madras High Court. The High Court granted the stay on any further proceeding in the matter on 11-12-2014 & gave 8 weeks time to Sales Tax Deptt. to file their counter, which they have not filed till the date of audit.</p>
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government lender wise details to be provided).	Not Applicable.
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported.	Not Applicable.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; if yes, the	As reported, no fraud has been noticed during the year 2015-16.

	nature and the amount involved is to be indicated.	
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Remuneration to Managing Director has been paid as per IDA Scales approved by DPE. Further, the Corporation is being a Government Company is exempt from Section 197 of the Companies Act,2013.
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.	Not Applicable.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.	There is no related parties transaction as reported by the Corporation.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-	Not Applicable.

	compliance.	
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of Section 192 of Companies Act, 2013 have been complied with	As reported, there is no non-cash transaction entered by the Corporation with the Directors.
(xvi)	Whether the company is required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	Not applicable.

For A. SRIVASTAVA & CO.
F.R.No. 511001C
(Chartered Accountants)

Date: 16th September 2016
Place: New Delhi

Sd/-
CA Akhilesh Kumar Srivastava
Partner
M.No. 089673

A.SRIVASTAVA & CO.
(Chartered Accountants)



G-59 A, Sanjay Gandhi Puram,
Faizabad Road,
Post Office: Indira Nagar,
Lucknow-226016 (INDIA)
Phone No. : +91-522-4026095
Mobile No. : +91-9415182569
E-Mail : akhileshfca@gmail.com

COMPLIANCE CERTIFICATE

We have conducted the audit, of accounts of National Handloom Corporation Limited for the year ended 31st March, 2016 in accordance with the directions/sub-directions issued to us by the C & AG of India under Section 143(5) of the Companies Act, 2013 and we Certify that we have complied with all the directions/sub-directions issued to us by submitting our report dated September 16th, 2016.

For A. SRIVASTAVA & Co.
F.R.No. 511001C
(Chartered Accountants)

Date: 16th September 2016
Place: New Delhi

Sd/-
CA Akhilesh Kumar Srivastava
Partner
M.No. 089673

COMPLIANCE OF THE DIRECTIONS ISSUED UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013
APPLICABLE FOR THE FINANCIAL YEAR 2015-16 ON ACCOUNTS NATIONAL HANDLOOM
DEVELOPMENT CORPORATION, LUCKNOW, U.P.

ANNEXURE-B

Sr. No.	Questionnaire	Reply of the Auditor
1	Whether the company has clear title/lease deeds for free hold and lease hold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	During the course of audit, we have verified the title deeds of free hold and lease hold land registered in the name of NHDC. The title of the land is clear and no encumbrance has been created by the Corporation on the above land. It is to be pointed out that the office building area 221.70 sq. meters, at Mumbai amounting to Rs. 2163293.00 is pending for registration with the appropriate authority. Conveyance deed of R.O. Kolkata Building area 152.35 sq. meters is available on records but registered documents of property not found.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. the reasons thereof and the amount involved.	During the audit, we noticed that the Corporation has not written off any amount due of debts/loans/interest etc. However, the Corporation has made the provision for doubtful debtors for Rs. 3595711.00 [refer notes on accounts No. 28(a) of the financial statements] during the year under audit. Further, the Corporation has also written off loss on sale of assets amounting to Rs. 32414.00 [refer note on accounts No. 28(a) of the financial statements].
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Government or other authorities.	There is no inventory lying with the third party as certified by the Management.

ANNEXURE-B

Sr. No.	Questionnaire	Reply of the Auditor
1	Independent verification may be made of information/inputs furnished to Actuary, viz number of employee, average salary, retirement age and assumptions made by	We have verified and found in order

	the Actuary regarding discount rate, future cost increase, mortality rate etc. for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment , post retirement medical benefits etc.	
--	---	--

For A.SRIVASTAVA & CO.
Chartered Accountants
(F.R.N. 11001C)

Place: New Delhi

Date: 16th September 2016

Sd/-
(CA Akhilesh Kumar Srivastava)
(Membership No. 089673)



“ANNEXURE-C” to the Independent Auditors’ Report of even date on the Financial Statements of
NATIONAL HANDLOOM DEVELOPMENT CORPORATION LTD.

Report on the Internal Financial Control under clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 (“The Act”)

We have audited the internal financial control over financial reporting of NATIONAL HANDLOOM DEVELOPMENT CORPORATION Limited, (“The Corporation”) as of March 31, 2016 in conjunction with our independent audit report of the financial statements of the Corporation for the year ended on that date.

(I) Management’s Responsibility for Internal Financial Controls

The Corporation’s management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

(II) Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

(III) Meeting of Internal Financial Control over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions and are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention of timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

(IV) Inherent Limitations of Internal Financial Control over Financial Reporting

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

(V) Opinion

In our opinion, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.SRIVASTAVA & CO.
Chartered Accountants
(F.R.N. 11001C)

Place: New Delhi

Date: 16th September 2016

Sd/-
(CA Akhilesh Kumar Srivastava)
(Membership No. 089673)

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTIONS:

The financial statements have been prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles, the provisions of Companies Act' 2013 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

FIXED ASSETS:

The assets acquired/ purchased are recorded on the basis of purchase value.

DEPRECIATION AND IMPAIRMENT OF ASSETS:

Depreciation on fixed Assets is charged on straight-line method. Depreciation is calculated on pro-rata basis on all additions made during the year in which the assets are put to use/ brought on charges. However, 100% depreciation is charged on the assets acquired during the year where individual cost does not exceed Rs.5000. Depreciation is calculated as per useful life of assets mentioned in Schedule – II of the Companies Act 2013.

The carrying amount of assets is tested at each Balance Sheet date for impairment so as to determine and provide for the impairment loss, if any, required or the reversal, if any, required for impairment loss recognized in previous periods.

GRANTS:

The expenses against Grants-in-aid have been incurred on specific purposes and are adjusted accordingly in specific grant received from Government. Grants/ Receivable from Government are recognized on accrual basis keeping in view the certainty of its ultimate collection.

INVENTORIES:

The valuation of stocks is at cost or net realizable value, whichever is lower. Goods-in-transit due to sales return or otherwise are valued at purchase price.

SALES:

The sales of yarn, dyes & chemicals and fabrics represent the value of goods dispatched to customers.

CLASSIFICATION OF EXPENDITURE:

All expenses and Incomes are accounted for under natural heads of account. Wherever necessary, allocation of expenditure on the functional basis has been made.

INTEREST ON OVERDUE BILLS:

Interest on overdue bills has been provided for delayed payments as per terms of credit decided with them. The unrealized overdue interest is shown as Deferred Accrued Interest.

FINANCE CHARGE

Finance charges levied on customers of Dyes & Chemicals are recognized as revenue on receipt basis in view of uncertainty in its ultimate collection.

Sd/- (Jai Gopal Mahajan) Dy. Gen. Manager (F&A)/ Company Secretary	Sd/- (Naveen Kumar Gupta) Executive Director (Finance)	Sd/- (Sarvepalli Srinivas) Managing Director	Sd/- (Alok Kumar) Chairman
--	---	---	---

ACCOUNTING OF RETIREMENT BENEFITS:

- (a) Liability towards Gratuity is provided based on the actuarial valuation as per AS-15.
- (b) Liability towards Leave Encashment is provided based on the actuarial valuation as per AS-15.
- (c) Leave travel concession is allowed as per rules of the corporation and booked in accounts in the year in which it is availed by the employees.

PRIOR PERIOD ADJUSTMENTS:

Prior Period Adjustments are those adjustments applicable to prior periods arising from correction of fundamental errors & omissions.

RESERVE FOR DEVELOPMENTAL ACTIVITIES:

Expenditure incurred by the Corporation on developmental activities from its own sources including expenditure incurred over and above the grant-in-aid received from Government of India are charged to Reserve for Developmental Activities directly which have been appropriated out of profits of the Corporation.

SEGMENT ACCOUNTING POLICY:

Segment Accounting policies are in line with the accounting policies of the corporation. However, the following specific accounting policies have been followed for segment reporting:

- a) Segment Revenue includes sales and other income directly identifiable with/ allocable to the segments including inter-segment revenue. The income, which relate to the corporation as a whole and not allocable to the segments is included in "Other Un-allocable Income".
- b) Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segments result. The expenses, which relate to the corporation as a whole and not allocable to the segments are included under "Other Un-allocable Expenditure".
- c) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and liabilities that relate to the corporation as a whole and not allocable to any segment.

TAXES ON INCOME:

Tax income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act 1961 and based on the expected outcome of assessments/ appeals.

Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Sd/- (Jai Gopal Mahajan) Dy. Gen. Manager (F&A)/ Company Secretary	Sd/- (Naveen Kumar Gupta) Executive Director (Finance)	Sd/- (Sarvepalli Srinivas) Managing Director	Sd/- (Alok Kumar) Chairman
---	---	---	---

**NATIONAL HANDLOOM DEVELOPMENT CORPORATION LIMITED
BALANCE SHEET AS AT 31st MARCH 2016**

	PARTICULARS	NOTE NO.	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
	1	2	3	4
I.	EQUITY AND LIABILITIES			
1	Shareholder's funds			
a)	Share Capital	1	190000000	190000000
b)	Reserves and Surplus	2	642738731	495207597
2	Non- current liabilities			
a)	Deferred tax liabilities (Net)	3	-27116587	-21550361
b)	Other long term liabilities (Corpus)	4	214082615	198052986
c)	Other long term liabilities	4	-	-
d)	Long term provisions	5	-	-
3	Current liabilities			
a)	Short term borrowings	6	-	-
b)	Trade payables	7	2594192328	2208114340
c)	Other current liabilities	8	546020624	783726722
d)	Short term provisions	9	321919128	272829761
	TOTAL		4481836839	4126381045
II.	ASSETS			
	Non current assets			
1 (a)	Fixed Assets			
i)	Tangible assets	10	116829903	118225308
ii)	Intangible assets	11	155196	207003
iii)	Capital work in progress	12	6285800	3194300
b)	Long term loans and advances	13	396078	359078
c)	Other non current assets(Corpus)	14	214082615	198052986
2	Current assets			
a)	Inventories	15	14923446	13238103
b)	Trade receivable	16	2236679627	1755917033
c)	Cash and cash equivalents	17	1210015502	404783936
d)	Short term loans and advances	18	644889535	1623390958
e)	Other current assets	19	37579137	9012340
	TOTAL		4481836839	4126381045

Note 1 to 31 and significant Accounting Policies annexed to Balance sheet as at the end of current reporting period and Statement of Profit and Loss, Change in Equity and Cash Flow for the year ended on that date form an integral part of Accounts.

Sd/-	Sd/-	Sd/-	Sd/-	
Jai Gopal Mahajan	Naveen Kumar Gupta	Sarvepalli Srinivas	Alok Kumar	
Dy.Gen.Mgr. (F&A)/	Executive Director(Finance)	Managing Director	Chairman	
Company Secretary				
			As per our Report of even date	
			For A Srivastava & Co.	
			Chartered Accountants	
			Sd/-	
			CA Akhilesh Kumar Srivastava	
			Partner	
Place: NewDelhi			M.No. 089673	
Date:			F.R.No. 511001C	

NATIONAL HANDLOOM DEVELOPMENT CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	NOTE NO.	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
I. (a) Revenue from operations	20	24060442984	22169630328
(b) Grant in-aid against reimbursement of expenditure under Yarn Supply Scheme	20	2221565897	2168976222
II. Other Income	21	67855186	65690521
III. Total Revenue (I+II)		26349864067	24404297071
IV. Expenses:			
Purchases of stock in trade	22	24957681870	23163502844
Reimbursement of Transportation/depot charges	23	765315323	642274775
Changes in inventories/stock in trade	24	-1459443	-4083582
Employee benefits expenses	25	180684963	151931975
Finance costs	26	0	0
Depreciation and amortization expenses	10 & 11	4047596	4897930
Other expenses	27	63365461	50286819
Total Expenses		25969635770	24008810761
V. Profit before exceptional and extraordinary items and tax (III-IV)		380228297	395486310
VI. Exceptional items	28	3090720	2058838
VII. Corporate social responsibility (CSR) Expenses	29	7396129	7419789
VIII. Profit before extraordinary items and tax (V-VI-VII)		369741448	386007683
IX. Extraordinary Items			
X. Profit before tax (VIII- IX)		369741448	386007683
XI. Tax expense:			
1. Current Tax (Provision)	30	134515000	125100000
2. Deferred Tax	3	-5566226	6907382
XII. Profit (Loss) for the period from continuing operations (X - XI)		240792674	254000301
XIII. Profit/loss from discontinuing operations			
XIV. Tax expenses of discontinuing operations			
XV. Profit/(loss) from discontinuing operations (after tax) (XIII-XIV)		0	0
XVI. Profit(Loss) for the period (XII + XV)		240792674	254000301
XVII. (i) Earnings per equity share (Before extra ordinary items)			
(1) Basic		126.73	133.68
(2) Diluted		126.73	133.68
(ii) Earnings per equity share (After extra ordinary items)			
(1) Basic		126.73	133.68
(2) Diluted		126.73	133.68

Note 1 to 31 and significant Accounting Policies annexed to Balance sheet as at the end of current reporting period and Statement of Profit and Loss, Change in Equity and Cash Flow for the year ended on that date form an integral part of Accounts.

Sd/-	Sd/-	Sd/-	Sd/-
Jai Gopal Mahajan Dy.Gen.Mgr. (F&A)/ Company Secretary	Naveen Kumar Gupta Executive Director(Finance)	Sarvepalli Srinivas Managing Director	Alok Kumar Chairman
			As per our Report of even date For A Srivastava & Co. Chartered Accountants
			Sd/- CA Akhilesh Kumar Srivastava Partner
Place: NewDelhi			M.No. 089673
Date:			F.R.No. 511001C

NOTES ON ACCOUNTS

1 SHARE CAPITAL

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
Authorized		
20,00,000 Equity shares (Previous year 20,00,000 Equity shares) of Rs. 100/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued, Subscribed & Paid-up		
18,98,465 Equity shares of Rs. 100/- each fully paid in cash held by Government of India through DCH office (Previous year 18,98,465 Equity shares of Rs. 100/- each)	189846500	189846500
1,535 Equity shares of Rs. 100/- each fully paid up without payment being received in cash (Shares allotted to The President of India through DCH Office against company's incorporation expenses, (Previous year 1,535 equity shares of Rs. 100/- each)	153500	190000000
TOTAL	190000000	190000000

2 RESERVES & SURPLUS

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
(A) RESERVES:		
(I) Reserve for developmental Activities		
As per last Balance sheet	2499398	2496547
Add : Amount transferred from Statement of Profit & Loss	4700000	2430000
Less: Utilization during the year	4708995	2427149
Total(i)	2490403	2499398
(II) Post Retirement Medical Corpus		
As per last Balance sheet	3908346	2485803
Add : Amount transferred from Statement of Profit & Loss	3860000	1839000
Add : Interest Earned during the year	283485	260151
Less: Utilization during the year	854332	676608
Total(ii)	7197499	3908346
Total(i+ii)	9687902	6407744
(B) SURPLUS		
As per last Balance sheet	488799853	301686118
Add : Amount transferred from Statement of Profit & Loss		
Current year profit	240792674	254000301
Less:-		
Proposed Dividend	73100000	51100000
Corporate Tax on Dividend	14881698	10402938
Amount transferred to reserve for developmental activity	4700000	2430000
Transferred to post retirement medical corpus	3860000	1839000
Depreciation on Assets not having remaining life as on 31.03.2014 as per Companies Act 2013	0	1114628
SURPLUS(B)	633050829	488799853
TOTAL (A+B)	642738731	495207597
Proposed Dividend per Equity Share	38.47	26.89

i) An amount of Rs. 3860000 (Previous year Rs. 1839000) being 1% of the profit before tax (PBT) for FY 2014-15 has been contributed to the "Post Retirement Medical Corpus" during FY 2015-16. The medical benefit under "Post Retirement Medical Scheme" is allowed to the superannuated employees by utilizing the said medical corpus.

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

3 DEFERRED TAX LIABILITY (Net)

The break up of net deferred tax liability as at the end of current reporting period is as under:

Components of Deferred Tax Assets and Deferred Tax Liability	As at the end of current reporting period	
	Deferred Tax Assets (Rs.)	Deferred Tax Liability (Rs.)
Deferred Tax Liabilities		
Difference between book value of depreciable assets as per books of accounts and written down value as per tax depreciation		5622534
Other deferred tax liability giving rise to timing difference		6206839
Deferred Tax Assets		
Provision for doubtful debts and advances etc.	14107342	
Provision for leave salary	24439358	
Provision for Deceased Employee Scheme	265913	
Other deferred tax asset giving rise to timing difference- (VRS)	133347	
Total	38945960	11829373
Net Deferred Tax Liability/ (Asset) as at the end of current reporting period		-27116587
Net Deferred Tax Liability/ (Asset) as at the end of previous reporting period		-21550361
Net Liability / (Asset) charged to Statement of Profit and Loss during the current reporting period		-5566226

4 NON CURRENT LIABILITIES – OTHER LONG TERM LIABILITIES

I) Other Long Term Liability (Corpus)

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
(A) Corpus Fund (Marketing Complex)		
a) Receipt from Govt. of India	82580850	82580850
b) Less: Amount adjusted/ refunded to Govt.	48158949	48158949
c) Principle amount refundable to Govt. (a-b)	<u>34421901</u>	<u>34421901</u>
d) Amount realized from agencies including adjustments	97789704	96929609
e) Less: Amount paid for acquisition of space/ other expenses etc. for complexes on behalf of agencies	94097380	92485036
f) Refundable to agencies (d-e)	<u>3692324</u>	<u>4444573</u>
g) Balance (a-b+d-e) or (c+f)	38114225	38866474
h) Amount of Interest earned less miscellaneous expenditure	138322216	123713400
Total (g+h)	176436441	162579874
(B) Corpus Fund (Mega Cluster)		
a) Receipt from Govt. of India	95000000	65000000
b) Amount of Interest earned	<u>30164315</u>	<u>27973112</u>
c) Total (a+b)	125164315	92973112
d) Less: Amount transferred for utilization in Mega Cluster	95000000	57500000
Balance (c-d)	30164315	35473112
(C) Corpus Fund (Trade Facilitation Centre)		
a) Receipt from Govt. of India	781012400	0
b) Amount of Interest earned	<u>4352542</u>	<u>0</u>
c) Total (a+b)	785364942	0
d) Less: Amount transferred to Project Management Agency	750788612	0
e) Less : Architect fee & other expenses	27094471	
Balance (c-d-e)	7481859	0
GRAND TOTAL (A+B+C)	214082615	198052986

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

II) Other Long Term Liabilities

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
Security Deposit	-	-
Total	0	0

i) Funds released by the Govt. of India amounting to Rs. 82580850 (Previous Year Rs. 82580850) for outright purchases of Marketing Complexes at Mumbai, Indore, Jaipur, and New Delhi on behalf of user agencies, after initially crediting them to Corpus Fund (Marketing Complex) Account, have been utilized for purchase of Marketing Complexes. The amount of Rs. 97789704 (Previous Year Rs. 96929609) received from user agencies has been credited to the corpus fund and expenditure incurred on setting up of marketing complexes amounting to Rs. 94097380 (Previous Year Rs. 92485036) has been charged to the corpus fund. The interest earned on fixed deposits created from unspent corpus fund, after adjusting the Misc. expenditure if any, amounting to Rs. 138322216 (Previous Year Rs. 123713400) has been credited thereto.

ii) As per Government directives, the funds released by Govt. of India amounting to Rs. 95000000 (Previous Year Rs. 65000000) for supply of yarn to the Handloom weavers in Varanasi, Sivsagar, Godda, Murshidabad and Prakasham Mega cluster have been utilized for arranging the yarn supply to handloom weavers in Mega Cluster. The amount of interest earned on fixed deposits amounting to Rs. 30164315 (Previous Year Rs. 27973112) has been credited thereto.

5 NON - CURRENT LIABILITIES - LONG TERM PROVISION

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
	0	0

6 CURRENT LIABILITIES - SHORT TERM BORROWINGS

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
Secured Loans		
From banks against hypothecation of book debts and movable assets	-	-
	0	0

Corporation has taken an over-draft limit of Rs. 2000000 (Previous year- Rs.2000000) at Regional Office Panipat against security of Fixed Deposits.

7 CURRENT LIABILITIES – TRADE PAYABLES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
Sundry creditors (Includes Rs. 1232614980 payable to S.S.I units – Previous year Rs.1191677841)	2505358221	2104856439
Advance from customers/ others	88834107	103257901
Total	2594192328	2208114340

i) The balance confirmation is a continuous process. The year end balances as at the end of current reporting period has been sent to all the creditors and other parties for confirmation, however, confirmation has been received as follows:-

Particulars	Total		Confirmation received as at the end of current reporting period		% of Confirmation of balances as at the end of current reporting period	
	No. of agencies	Amount outstanding (Rs.)	No. of agencies	Amount outstanding (Rs.)	No. of agencies (%)	Amount outstanding (%)
Creditors	579	2505358221	306	1698712578	52.85	67.80
Advance from customers/ others.	1421	88834107	410	45866528	28.85	51.63

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

The confirmed balances shown above do not include those, where there is any dispute, but only those balances where the entries on account of difference/ reconciliation are acceptable to both the parties. The balances which are pending for confirmation will be reviewed and reconciled in due course and the adjustment, if any, required in these cases will be made as soon as reconciled.

ii) Sundry Creditors includes amount of Rs. 414764022 (Previous year Rs. 443293684) payable to Small Scale Industries, outstanding for more than 30 days as at the end of current reporting period. The amount due to creditors being small scale industries as above has been withheld based on the arrangement with them, wherein, the payment will be released to them only after realization of the payment from the corresponding debtors.

iii) Besides above, there are no micro and small enterprises, to whom the company owes dues which are outstanding for more than 45 days as at the end of current reporting period. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties had been identified on the basis of information available with the corporation. This has been relied upon by the auditors.

8 CURRENT LIABILITIES – OTHER CURRENT LIABILITIES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
Security deposits	1607446	936472
Govt. grants/participation money (See detail below)	43789244	13195980
Retention money	341649	341649
Earnest money	802762	654762
Corpus fund (Cluster development)	157673737	136578237
Corpus fund (Mega Cluster)	95000000	57500000
Transportation and depot payable	205382433	542549238
Other Liabilities	41423353	31970384
Total	546020624	783726722

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

i) Grant Statement

DETAILS OF GOVERNMENT GRANTS & PARTICIPANTS MONEY FOR THE CURRENT REPORTING PERIOD

(In Rs.)

SL. NO.	PARTICULARS	OPENING BALANCE 1.4.2015	RECEIVED DURING THE YEAR FROM GOVT.	FROM PARTICIPANTS	TOTAL	TRANSACTIONS EXPENSES	DURING THE YEAR REFUND/ADJUSTMENT/ TRANSFER	TOTAL	BALANCE AS ON 31.03.2016
1	2	3	4	5	6 (3+4+5)	7	8	9 (7+8)	10(6-9)
1	MARKETING EXHIBITION EXPENSES								
a	SILK FAB, CHANDIGARH	0	1969964	1689826	3659790	3659790	0	3659790	0
b	SILK FAB DELHI	0	1975868	4587214	6563082	6563082	0	6563082	0
c	SILK FAB, JABALPUR	0	1987770	1764288	3752058	3752058	0	3752058	0
d	SILK FAB MUMBAI	0	1983315	3499251	5482566	5482566	0	5482566	0
e	SILK FAB BHOPAL 2015-16	0	0	2190000	2190000	3652055	-1462055	2190000	0
f	SILK FAB, AHMEDABAD	0	1981081	2362725	4343806	4343806	0	4343806	0
g	SILK FAB, SURAT	0	1982145	1655369	3637514	3637514	0	3637514	0
h	SILK FAB LUCKNOW	0	1969140	2619285	4588425	4588425	0	4588425	0
i	SILK FAB KOLKATA	0	1980527	2348250	4328777	4328777	0	4328777	0
j	SILK FAB INDORE	0	1975523	2049272	4024795	4024795	0	4024795	0
k	SILK FAB BHUBANESWAR	0	1984803	1935686	3920489	3920489	0	3920489	0
l	SILK FAB BANGLORE	0	1988600	1775277	3763877	3763877	0	3763877	0
m	WOOL FAB BHOPAL	0	1935006	659366	2594372	2594372	0	2594372	0
n	WOOL FAB LUCKNOW	0	1954440	541631	2496071	2496071	0	2496071	0
o	WOOL FAB JABALPUR	0	0	449554	449554	2416371	-1966817	449554	0
p	SILK FAB PATNA 2015-16	0	0	2177500	2177500	611300	0	611300	1566200
q	SILK FAB EARNAKULAM	0	1989431	1942195	3931626	3931626	0	3931626	0
r	SILK FAB NAGPUR	0	0	787850	787850	2642611	-1854761	787850	0
s	SILK FAB HYDRABAD	0	0	1925675	1925675	3895544	-1969869	1925675	0
t	SILK FAB GUWAHATI 2015-16	0	0	18000	18000	376296	-358296	18000	0
u	SILK FAB COIMBATORE	0	1990015	1063871	3053886	3053886	0	3053886	0
v	SILK FAB PUNE 2015-16	0	0	1475135	1475135	415610	0	415610	1059525
w	SILK FAB PATNA 2014-15	1433475	0		1433475	2420159	-986684	1433475	0
x	NATIONAL LEVEL EXPO AHMEDABAD 2014-15	0	0	0	0	1827850	-1827850	0	0
y	NATIONAL LEVEL EXPO AHMEDABAD 2015-16	0	0	87500	87500	500613	-413113	87500	0
z	NATIONAL LEVEL EXPO NEW DELHI 2014 15	2329458	0	569135	2898593	4116004	-1217411	2898593	0
za	SILK FAB CHENNAI	0	1000000	0	1000000	0	0	0	1000000
2	CLUSTER DEV. PROGRAMME (BURDWAN)	288244	1894000	0	2182244	602707	0	602707	1579537
3	TRAINING PROGRAMME								
a	VARANASI H/L MEGA CLUSTER 04 EXTENSION COUNTER	407474		0	407474	120000	0	120000	287474
b	GRANT FOR INFORMATION EDUCATION & COMMUNICATION	6014613		0	6014613	1209207	0	1209207	4805406
c	GRANT FOR SUPPLY OF H/L PARTS	0	917251	0	917251		0	0	917251
d	GRANT FOR DISTRIBUTION OF 2000 BATTERY LINKED INVERTER LIGHTING	704469	19085720	0	19790189	14848937	0	14848937	4941252
e	GRANT FOR ADMN. COST FOR DIST. OF BLILUS	259	256500	0	256759			0	256759
f	GRANT FOR HIRING CONTRANCTUAL STAFF FOR BLILUS, WSC VARANASI	0	78000	0	78000	133533	-55533	78000	0
g	GRANT FOR BASELINE SURVEY OF WEAVER IN VARANASI CLUSTER	672000	0	0	672000	670020		670020	1980
h	GRANT FOR CFC VARANASI	0	1043146	0	1043146	4827943	-3784797	1043146	0
i	GRANT FOR CFC CHOLAPUR VARANASI	0	0	0	0	113348	-113348	0	0
j	GRANT FOR CFC KARDHANA VARANASI	0	0	0	0	5928647	-5928647	0	0
k	BUYER SELLER MEET AT AGARTALA	83085		0	83085			0	83085
l	BUYER SELLER MEET AT IMPHAL 2014-15	77166		0	77166			0	77166
m	BUYER SELLER MEET AT GUWAHATI 2014-15	88884		0	88884			0	88884
n	BUYER SELLER MEET AT VIJAYWADA 2014-15	6605		0	6605			0	6605
o	BUYER SELLER MEET AT HUBLI/ GADAG 14-15	14673		0	14673			0	14673
p	BUYER SELLER MEET- COIMBATORE 2014-15	26429		0	26429			0	26429
q	BUYER SELLER MEET AT KANCHIPURAM 14-15	83021		0	83021			0	83021
r	BUYER SELLER MEET AT KASHIPUR/BHADOHI 14-15	60950		0	60950			0	60950
s	BUYER SELLER MEET AT BHAGALPUR	145000		0	145000	128739		128739	16261
t	BUYER SELLER MEET AT BHUBANESWAR	0	0	0	0	160559	-160559	0	0
u	BUYER SELLER MEET AT KANNUR	0	0	0	0	193835	-193835	0	0
v	BUYER SELLER MEET- COIMBATORE 2015-16	0		0	0	250000	-250000	0	0
w	BUYER SELLER MEET AT PANIPAT 2015-16	0		0	0	172878	-172878	0	0
x	BUYER SELLER MEET AT KARAKULAM2015-16	0		0	0	78128	-78128	0	0
y	BUYER SELLER MEET AT KOLKATTA/RANCHI 2015-16	0		0	0	144079	-144079	0	0
z	BUYER SELLER MEET AT SHILONG 2015-16	0		0	0	379245	-379245	0	0
za	BUYER SELLER MEET AT VARANASI 2015-16	0		0	0	155136	-155136	0	0
zb	BUYER SELLER MEET AT WARANGAL 2015-16	0		0	0	80421	-80421	0	0

SL. NO.	PARTICULARS	OPENING BALANCE 1.4.2015	RECEIVED DURING THE YEAR FROM GOVT.	FROM PARTICIPANTS	TOTAL	TRANSACTIONS DURING THE YEAR EXPENSES	REFUND/ADJUSTMENT/TRANSFER	TOTAL	BALANCE AS ON 31.03.2016
1	2	3	4	5	6 (3+4+5)	7	8	9 (7+8)	10(6-9)
zc	BUYER SELLER MEET AT HIMANCHAL PRADESH 2015-16	0		0	0	105515	-105515	0	0
zd	BUYER SELLER MEET AT HYDERABAD 2015-16	0		0	0	128761	-128761	0	0
ze	BUYER SELLER MEET AT IMPHAL 2015-16	0	247875	0	247875	294475	-46600	247875	0
zf	BUYER SELLER MEET AT AIZWAL 2015-16	0	247688	0	247688	446517	-198829	247688	0
zg	BUYER SELLER MEET AT SALEM 2015-16	0	0	0	0	222225	-222225	0	0
zh	GRANT FOR FASHION WEEK AT NEW DELHI	0	2451000	0	2451000	2594640	-143640	2451000	0
zi	GRANT FOR 6 FASHION SHOWS AT MUMBAI	0	1000000	0	1000000	0	0	0	1000000
zj	GRANT FOR INTERNATIONAL HANDWOVEN FAIR 2016	0	250000	0	250000	573600	-323600	250000	0
zk	GRANT FOR AWARD/ PRIZE DISTRIBUTION TO 6 IIHTS	0	678000	0	678000	113000		113000	565000
zl	GRANT FOR EXP. INTRODUCTION OF MULTIPLE BUTI MACHINE	0	185000	0	185000	179862		179862	5138
zm	GRANT FOR HIRING FOUR WHEELER AND MISC EXP. WSC VARANASI	0	426400	0	426400	330000		330000	96400
zn	GRANT FOR SUPPLY OF DESKTOP FOR 6 WSCs	0	1380000	0	1380000	1012500		1012500	367500
zo	GRANT FOR TRAINING & AWARENESS PROGRAMME IN 7 CFCs	0	3085600	0	3085600	2494875		2494875	590725
zp	GRANT FOR CFC KASHI VIDYAPITH & CHIRALAGAWAN	0	1150550	0	1150550	0	0	0	1150550
zq	HINDU COLLEGE DELHI	0	0	0	0	15000	-15000	0	0
zr	IIT CHENNAI	0	0	0	0	200431	-200431	0	0
zs	IIT MUMBAI	0	0	0	0	1163471	-1163471	0	0
zt	IIT ROORKEE	0	0	0	0	774986	-774986	0	0
zu	INDIA HANDLOOM FAIR KOLKATTA	0	0	0	0	50000	-50000	0	0
zv	GRANT FOR SEMINAR IN J&K, HIMACHAL AND UK	0	165500	0	165500	265160	-99660	165500	0
zw	GRANT FOR SEMINAR IN NER	0	195000	0	195000	374725	-179725	195000	0
4	WEAVERS AWARENESS CAMP	760175	0	0	760175		0	0	760175
5	7 COMMON FACILITATING CENTRE, VARANASI								
a	GRANT FOR CONSTRUCTION OF 7 CFCs	0	32172000	0	32172000	18565513	0	18565513	13606487
b	GRANT FOR COMMON SERVICE CENTRES (CSC), VARANASI	0	1659600	0	1659600	1017591	0	1017591	642009
c	GRANT FOR SERVICE TAX OF CSC VARANASI	0	69423	0	69423	0	0	0	69423
6	NATIONAL HANDLOOM CAMPAIGN (BRAND)	0	20000000	0	20000000	11936621	0	11936621	8063379
	TOTAL	13195980	119285881	40173855	172655716	156072377	-27205905	128866472	43789244

Sd/-
Jai Gopal Mahajan
Dy. Gen. Manager (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director (Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

ii) Corpus Fund (Cluster Development) amounting to Rs. 157673737 (Previous year Rs. 136578237) has been received from 640 clusters (Previous year 509 clusters) as Corpus Fund for supply of yarn under the Integrated Handloom Cluster Development Scheme of Govt. of India.

iii) Corpus Fund (Mega Cluster) amounting to Rs. 95000000 (Previous year Rs. 57500000) in respect of 5 Mega Clusters (Previous year 2 Mega Cluster) has been transferred to the concerned Regional Offices for supply of Yarn and Dyes & Chemicals to the handloom weavers in those Mega Clusters.

iv) Other liabilities include Rs. 5066008 (Previous year Rs.8965122) refundable on account of participation money received towards exhibition from agencies.

9 CURRENT LIABILITIES – SHORT TERM PROVISIONS

(Rs.)

	Balance as at the end of previous reporting period	Addition during the year	Total	Payment/ utilization/ charged off	Written back during the year	Balance as at the end of current reporting period
Income tax	125100000	134515000	259615000	121634241	3465759	134515000
Accrued leave	70586823	15701957	86288780	3456350	0	82832430
Provision for gratuity liability	0	1232410	1232410	1232410	0	0
Provision for ex-gratia	15640000	16590000	32230000	15365500	274500	16590000
Proposed dividend	51100000	73100000	124200000	51100000	0	73100000
Corporate tax on proposed dividend	10402938	14881698	25284636	10402938	0	14881698
	272829761	256021065	528850826	203191439	3740259	321919128

i) The Proposed dividend per equity share for the current reporting period is Rs. 38.47 (Previous year Rs. 26.89).

ii) Defined Benefit Plan

The obligation for leave encashment and gratuity is recognized based on the present value of obligation determined by actuarial valuation using the Projected Unit Credit Method as per revised AS-15.

The reconciliation of opening and closing balances of defined benefit obligation in respect of leave encashment and gratuity is as below:-

(Rs.)

Particulars	LEAVE ENCASHMENT	
	For the current reporting period	For the previous reporting period
Defined benefit obligation at the beginning of the year as per actuarial valuation	70586823	96539987
Add: Amount received from new joinee etc. from other PSU.	0	0
Add: Amount provided by charging to current year's expenses	15701957	0
Less: Excess Provision written back during the year	0	13916568
Less : Benefit paid/ leaves en-cashed	3456350	12036596
Defined benefit obligation at year end	82832430	70586823

(Rs.)

Particulars	GRATUITY	
	For the current reporting period	For the previous reporting period
Defined benefit obligation at the beginning of the year with LIC	109546929	107217399
Add : Actual Return on Plan Asset	9191580	9266246
Add : Contribution paid to LIC during the year.	0	814000
Less : Benefit paid/ claim settled by LIC	3429840	7750716
Defined benefit obligation at year end with LIC.	115308669	109546929
Add : Further provision made against contribution towards Gratuity fund.	1232410	0
Less : Deposit with Gtaruuity Trust lying with LIC for future adjustment.	10023165	
Less : Excess provision made against contribution towards Gratuity fund written back		10023165
Defined benefit obligation at year end after provision.	106517914	99523764

ACTUARIAL ASSUMPTION

	GRATUITY		LEAVE ENCASHMENT	
	For the current reporting period	For the previous	For the current reporting period	For the previous reporting period
Mortality table				
Rate of discounting.	7.56%	7.95%	7.56%	7.95%
Future salary rise.	16.00%	16.00%	16.00%	16.00%
Attrition rate.	2.00%	2.00%	2.00%	2.00%

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

NHDC GRATUITY AS AT THE END OF CURRENT REPORTING PERIOD

I. ASSUMPTIONS:	For the current reporting period (Rs.)
Discount rate Previous year	7.95%
Rate of return on Plan Assets Previous year	7.95%
Salary Escalation Previous year	16.00%
Attrition Rate Previous year	2.00%
Discount Rate Current year	7.56%
Rate of return on Plan Assets Current year	7.56%
Salary Escalation Current year	16.00%
Attrition Rate Current year	2.00%
<hr/>	
II. Table Showing Change in the Present Value of Projected Benefit Obligation	For the current reporting period (Rs.)
Present Value of Benefit Obligation at the Beginning of the Period	99523764
Interest Cost	7912139
Current Service Cost	2180407
Past Service Cost - Non-Vested Benefit Incurred During the Period	-
Past Service Cost - Vested Benefit Incurred During the Period	-
Liability Transferred In/ Acquisitions (Liability Transferred Out/ Divestments)	-
(Gains)/ Losses on Curtailment	-
(Liabilities Extinguished on Settlement)	-
(Benefit Paid Directly by the Employer)	-
(Benefit Paid From the Fund)	-3429840
The Effect Of Changes in Foreign Exchange Rates	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	2110006
Actuarial (Gains)/Losses on Obligations - Due to Experience	-1778562
Present Value of Benefit Obligation at the End of the Period	106517914
<hr/>	
III. Table Showing Change in the Fair Value of Plan Assets	For the current reporting period (Rs.)
Fair Value of Plan Assets at the Beginning of the Period	109546929
Expected Return on Plan Assets	8708981
Contributions by the Employer	95952
Expected Contributions by the Employees	-
Assets Transferred In/Acquisitions	-
Assets Transferred Out/ Divestments	-
Benefit Paid from the Fund	-3429840
Assets Distributed on Settlements	-
Effects of Asset Ceiling	-
The Effect Of Changes In Foreign Exchange Rates	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	386647
Fair Value of Plan Assets at the End of the Period	115308669
<hr/>	
IV. Actuarial (Gains)/Losses Recognition	For the current reporting period (Rs.)
Actuarial (Gains)/Losses on Obligation For the Period	331444
Actuarial (Gains)/Losses on Plan Asset For the Period	-386647
Subtotal	-55203
Actuarial (Gains)/Losses Recognized	-55203
<hr/>	
V. Actual Return on Plan Assets	For the current reporting period (Rs.)
Expected Return on Plan Assets	8708981
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	386647
Actual Return on Plan Assets	9095628
<hr/>	
VI. Amount Recognized in the Balance Sheet	For the current reporting period (Rs.)
Present Value of Benefit Obligation at the end of the Period	-106517914
Fair Value of Plan Assets at the end of the Period	115308669
Funded Status (Surplus/ (Deficit))	8790755
Unrecognized Past Service Cost at the end of the Period	-
Net (Liability)/Asset Recognized in the Balance Sheet	8790755

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

VII. Net Interest Cost for Current Period	For the current reporting period (Rs.)
Present Value of Benefit Obligation at the Beginning of the Period	99523764
Fair Value of Plan Assets at the Beginning of the Period	-109546929
Net Liability/(Asset) at the Beginning	-10023165
Interest Cost	7912139
Expected Return on Plan Assets	-8708981
Net Interest Cost for Current Period	-796842
VIII. Expenses Recognized in the Statement of Profit or Loss for Current Period	For the current reporting period (Rs.)
Current Service Cost	2180407
Net Interest Cost	-796842
Actuarial (Gains)/Losses	-55203
Past Service Cost - Non-Vested Benefit Recognized During the Period	-
Past Service Cost - Vested Benefit Recognized During the Period	-
Expected Contributions by the Employees	-
(Gains)/Losses on Curtailments And Settlements	-
Net Effect of Changes in Foreign Exchange Rates	-
Change in Asset Ceiling	-
Expenses Recognized in the Statement of Profit or Loss	1328362
IX. Balance sheet reconciliation	For the current reporting period (Rs.)
Opening Net Liability	-10023165
Expense Recognized in Statement of Profit or Loss	1328362
Net Liability/(Asset) Transfer In	-
Net (Liability)/Asset Transfer Out	-
Benefit Paid Directly by the Employer	-
Employer's Contribution	-95952
Net Liability/(Asset) Recognized in the Balance Sheet	-8790755
X. Category of Assets	For the current reporting period (Rs.)
Government of India Assets	-
State Government Securities	-
Special Deposits Scheme	-
Debt Instruments	-
Corporate Bonds	-
Cash And Cash Equivalent	-
Insurance fund	115308669
Asset-Backed Securities	-
Structured Debt	-
Other	-
Total	115308669
XI. Other Details	For the current reporting period (Rs.)
No of Active Members	213
Per Month Salary For Active Members	9715725
Projected Benefit Obligation (PBO)	106517914
Prescribed Contribution For Next Year (12 Months)	-
XII. Experience Adjustment	For the current reporting period (Rs.)
Actuarial (Gains)/Losses on Obligations - Due to Experience	-1778562
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	386647

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

(Rs.)

	For the current reporting period										For the previous reporting period	
	LAND	BUILDING	FURNITURE & FIXTURE	OFFICE AND ELECTRICAL EQUIPMENTS	ELECTRICAL EQUIPMENT AND INSTALLATION	OFFICE EQUIPMENT	LABORATORY EQUIPMENTS	VEHICLE	COMPUTERS			TOTAL
									Computer & Data processing Units	Servers & Networks		
GROSS BLOCK												
As at beginning of the year	75909184	34269777	6927809	0	10419983	5619259	412455	3779549	6915485	2444519	146698020	70573707
Addition during the year	0	0	737395	0	755898	485460	0	0	656499	0	2635252	77048615
Transfer/ Sale/ Adjustments during the year	0	0	-41788	0	-51678	-66269	0	-2176	-72109	-1150	-235170	-18586843
Transfer to during the year	0	0	0	0	0	0	0	0	0	0	0	17662541
As at end of the year	75909184	34269777	7623416	0	11124203	6038450	412455	3777373	7499875	2443369	149098102	146698020
DEPRICIATION												
As at beginning of the year	0	8801215	3949697	0	3300793	3842080	77280	1500483	5154083	1847081	28472712	23417684
Transfer/ Sale/ Adjustments during the year	0	0	-41385	0	-34089	-40602	0	-2176	-68504	-1150	-187906	-8176061
Transfer to during the year	0	0	0	0	0	-12397	0	0	0	0	-12397	7376809
Depreciation during the year (Transfer to Reserve and Surplus)	0	0	0	0	0	0	0	0	0	0	0	1078897
Depreciation during the year (Transfer to Profit and Loss account)	0	503274	417905	0	970228	444384	45499	423691	959982	230827	3995790	4775383
As at end of the year	-	9304489	4326217	0	4236932	4233465	122779	1921998	6045561	2076758	32268199	28472712
NET BLOCK												
As at beginning of the year	75909184	25468562	2978112	0	7119190	1777179	335175	2279066	1761402	597438	118225308	47156023
As at end of the year	75909184	24965288	3297199	0	6887271	1804985	289676	1855375	1454314	366611	116829903	118225308

i) Fixed Assets include office building, pending transfer formality of the property and registration with the Appropriate Authorities, amounting to Rs.2163293 (Previous year Rs.2163293) at Mumbai, for which possession has been taken but Registration charges for the same will be capitalized as and when incurred.

ii) An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which the asset is identified as impaired. The assets as appearing in the books of accounts of the corporation at year end have the value at which they are appearing therein and the impairment, if any, has been shown in the Note 28, to the balance sheet.

Sd/-

Jai Gopal Mahajan
Dy. Gen. Manager (F&A)/ Company Secretary

Sd/-

Naveen Kumar Gupta
Executive Director(Finance)

Sd/-

Sarvepalli Srinivas
Managing Director

Sd/-

Alok Kumar
Chairman

iii) An amount of Rs. Nil (Previous Year Rs.1114628) has been adjusted from Surplus towards Depreciation during the year in respect of the Tangible and Intangible Assets which have no remaining useful life as on 31.03.2014, in accordance with the provisions of the Companies Act 2013.

11 **NON CURRENT ASSETS- INTANGIBLE ASSETS**

(Rs.)

	COMPUTER SOFTWARE	
	For the current reporting period	For the previous reporting period
GROSS BLOCK		
As at beginning of the year	2447321	2406821
Addition during the year	-	0
Transfer/ Sale/ Adjustments during the year	-	-
Transfer to during the year	0	40500
As at end of the year	2447321	2447321
DEPRICIATION		
As at beginning of the year	2240318	2048669
Adjustment during the year	-	-
Tansfer to during the year	0	33372
Transfer to general reserve	0	35731
Depriciation during the year	51807	122546
As at end of the year	2292125	2240318
NET BLOCK		
As at beginning of the year	207003	358152
As at end of the year	155196	207003

Sd/-

Jai Gopal Mahajan
Dy. Gen. Manager (F&A)/ Company Secretary

Sd/-

Naveen Kumar Gupta
Executive Director(Finance)

Sd/-

Sarvepalli Srinivas
Managing Director

Sd/-

Alok Kumar
Chairman

12 NON CURRENT ASSETS - CAPITAL WORK IN PROGRESS

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
Capital work in progress	6285800	3194300
TOTAL	6285800	3194300

The Capital Work in Progress of Rs. 6285800 (Previous Year Rs. 3194300) includes Rs. 3091500 incurred on ERP implementation.

13 NON CURRENT ASSETS - LONG TERM LOAN AND ADVANCES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
Security Deposit	396078	359078
TOTAL	396078	359078

14 OTHER NON CURRENT ASSETS (CORPUS)

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(A) Deployment of Corpus Fund (Marketing Complexes)		
In Current account	97392	526650
In Fixed deposit account	171189300	157092494
Interest accrued but not received on fixed deposit	5149749	4960730
TOTAL (A)	176436441	162579874

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(B) Deployment of Corpus Fund (Mega Cluster)		
In Current account	25000	25000
In Fixed deposit account	28576708	34061871
Interest accrued but not received on fixed deposit	1562607	1386241
TOTAL(B)	30164315	35473112

(C) Deployment of Corpus Fund (Trade Facilitation Centre)		
In Current account	7277534	0
In Fixed deposit account	200000	0
Interest accrued but not received on fixed deposit	4325	0
TOTAL(C)	7481859	0
GRAND TOTAL(A+B+C)	214082615	198052986

The amount of Rs. 7277534 is lying in Trade Facilitation Centre (TFC) TRA a/c. Besides, the Project Management Agency (M/s NBCC) and Corporation has opened an Escrow a/c in joint name, which shall be operated by M/s NBCC as per terms of Memorandum of Agreement entered into between M/s NBCC and corporation. The amount from TFC TRA a/c is transferred by the corporation to Escrow a/c as per the directions of the Ministry. M/s NBCC makes payment to the construction agency/ contractor from the Escrow a/c based on the progress of work. The accounting of Escrow a/c is done by M/s NBCC.

15 CURRENT ASSETS - INVENTORIES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(As taken, valued and certified by the management)		
- Stock-in-trade - At cost (less written off for obsolescence) or net realizable value whichever is less.	14697546	13238103
- Goods in Transit	225900	0
TOTAL	14923446	13238103

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

		Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
SUNDRY DEBTORS (unsecured)			
i) Over six months			
- Considered good	115392294	83928083	
- Considered doubtful	37178353	34142893	
	152570647	118070976	
- Less: Provision for doubtful debts	-37178353	-34142893	83928083
ii) Others (Considered good)		2121287333	1671988950
TOTAL		2236679627	1755917033

i) The balance confirmation is a continuous process. The year end balances as at the end of current reporting period has been sent to all the Trade Receivables for confirmation, however, confirmation has been received as follows:-

Particulars	Total		Confirmation received as at the end of current reporting period		% of Confirmation of balances as at the end of current reporting period	
	No. of agencies	Amount outstanding (Rs.)	No. of agencies	Amount outstanding (Rs.)	No. of agencies (%)	Amount outstanding (%)
Trade Receivables	1112	2273857980	417	1845472432	37.50	81.16

The confirmed balances shown above do not include those, where there is any dispute, but only those balances where the entries on account of difference/ reconciliation are acceptable to both the parties. The balances which are pending for confirmation will be reviewed and reconciled in due course and the adjustment, if any, required in these cases will be made as soon as reconciled.

ii) Trade Receivables for Rs. 2273857980 (Previous year Rs.1790059926) include a sum of Rs.9093140 (Previous year: Rs.9515207) for which suits have been filed by the corporation with appropriate courts. Further, Trade Receivables include Rs. 19016347 (Previous year Rs. 20097431) receivable against supply of fabric wherein the corporation is having corresponding dues to creditors, payable only after realization. The fabric creditors are Rs.21011474 (Previous year Rs. 21839219). Trade Receivables also includes a sum of Rs. 80834041 (Previous year Rs. 72385277) wherein supplies have been made against the revolving advance received by the corporation as Corpus Fund (Cluster Development).

iii) The details of provision for doubtful Trade Receivables is placed herein below:-

Particulars	Balance as at the end of previous reporting period	Addition during the year	Total	Amount realized/ adjusted	Written off during the year	(Rs.)
						Balance as at the end of current reporting period
Provision for doubtful Trade Receivables.	34142893	3595711	37738604	560251	0	37178353

17 CURRENT ASSETS - CASH & CASH EQUIVALENTS

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
Balances with scheduled bank	381690033	231572072
Balances with non- scheduled bank	247210	10556
Cash and stamps in Hand	0	45009
Bank deposits upto 12 month	828078259	173156299
Bank deposit exceeding 12 month	-	-
TOTAL	1210015502	404783936

18 CURRENT ASSETS - SHORT TERM LOANS AND ADVANCES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(i) Secured loans (considered good)		
- Vehicle loan to staff against hypothecation of vehicles	1016124	203052
(ii) Advances (Unsecured) (Recoverable in cash or kind or for value to be received)		
- Advance to suppliers		
- Considered good	3262412	3232712
- Considered doubtful	1572915	1604717
	4835327	4837429
- Less: Provision for doubtful advances	-1572915	-1604717
	3262412	3232712

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

		Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(iii) Advance to staff			
- Considered good	994865		1154637
- Considered doubtful	126274		126274
	1121139		1280911
- Less: Provision for doubtful advances	-126274	994865	1154637
(iv) Advance to others			
- Considered good	29944618		18812588
- Considered doubtful	135151		135151
	30079769		18947739
- Less: Provision for doubtful advances	-135151	29944618	18812588
(v) Prepaid expenses		611223	584819
(vi) Advance income tax including tax deducted at source		117638537	115000000
(vii) DEPOSITS (Unsecured but considered good)			
- With Government departments		-	-
- For rent of complexes/ others			
- Considered good	1157936		892192
- Considered doubtful	86130		86130
	1244066		978322
- Less: Provision for doubtful deposits	-86130	1157936	892192
(viii) RECEIVABLES			
- From the Government of India against grant-in-aid		481928042	1474192533
- Claims receivable		4024761	5025310
- Outstanding against marketing complex/ others			
- Considered good	4311017		4293115
- Considered doubtful	1664418		1664419
	5975435		5957534
- Less: Provision for doubtful receivables	-1664418	4311017	4293115
(ix) Interest outstanding from user Agencies			
Deferred accrued Interest			
- Considered good	-		-
- Considered doubtful	17934694		17934694
	17934694		17934694
- Less: Provision for doubtful interest	-17934694	0	0
TOTAL		644889535	1623390958

i) The details of provision for doubtful assets is placed herein below:-

Particulars	Balance as at the end of previous reporting period	Addition during the year	Total	(Rs.)		
				Amount realized/ adjusted	Written off during the year	Balance as at the end of current reporting period
a) Provision for doubtful advances to suppliers.	1604717	0	1604717	31802	0	1572915
b) Provision for doubtful advances to staff.	126274	0	126274	0	0	126274
c) Provision for doubtful advances to others.	135151	0	135151	0	0	135151
d) Provision for doubtful deposits.	86130	0	86130	0	0	86130
e) Provision for doubtful receivables.	1664419	0	1664419	0	0	1664419
f) Provision for doubtful deferred accrued interest.	17934694	0	17934694	0	0	17934694
Total	21551385	0	21551385	31802	0	21519583

- ii) Advance to Others include an amount of Rs. 8790755 (Previous Year Rs. 10023165) for advance lying with LIC of India against Gratuity Fund of the corporation.
- iii) Advances to suppliers of Rs. 4835327 (Previous year Rs.4837429) include a sum of Rs. 726947 (Previous year Rs.726947) for which suit have been filed by the Corporation with appropriate courts.
- iv) Loans and advances to Directors is Rs. Nil (Previous year Rs.Nil). Maximum amount due from directors at any time during the year was Rs. 627439 (Previous year Rs. 532167) being advance against Travelling bills.
- v) Receivable from Government of India against grant-in-aid includes Rs.19757418 (Previous year Rs.4590210) in respect of events wherein claims are to be submitted to the Government as at the end of current reporting period. The above amount includes Rs.16840500 (Previous year Rs.1649891) wherein no GO has yet been received.
- vi) Claims receivables Rs. 4042661 (Previous year Rs.5025310) includes Rs. 4024761 (Previous year Rs.4024761), which is due to be refunded by the income tax authorities, wherein, the major amount has been deposited by the corporation under protest based on the demand for earlier years.
- vii) In respect of Deferred accrued interest for Rs. 17934694 (Previous year Rs.17934694) as shown above, the suit has been filed by the corporation with appropriate court.

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

19 CURRENT ASSETS - OTHER CURRENT ASSETS

		Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
A) Interest accrued but not received		30381638	5103994
B) <u>Post Retirement Medical Corpus</u>			
-FDR against Medical Corpus	3470004		3180930
-Accrued Interest on Medical Corpus	113558		119146
-Balance with Scheduled Bank in Current Account	3613937	7197499	608270
			3908346
TOTAL (A+B)		37579137	9012340

20 REVENUE FROM OPERATIONS

		Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
(a) Sales less returns			
-Yarn - Yarn Supply Scheme	24496161206		22634585690
Less: 10% subsidy on Hank yarn General Scheme	<u>-927510828</u>	23568650378	<u>-1026834928</u>
		43321169	65239848
-Dyes & chemicals		448429646	494787034
-Fabrics		41791	1852684
Total (a)		24060442984	22169630328
(b) Grant-in-aid against reimbursement of expenditure under Yarn Supply Scheme		1247679526	1090799607
10% Subsidy on Hank yarn		927510828	1026834928
Service charges against 10% yarn subsidy component under Yarn Supply Scheme		46375543	51341687
Total (b)		2221565897	2168976222
TOTAL (a+b)		26282008881	24338606550

i) Grant in aid against reimbursement of expenditure under Yarn Supply Scheme amounting to Rs. 2221565897 (Previous year Rs. 2168976222) on account of supply of yarn has been accounted for on accrual basis. Out of which, claims totaling Rs. 355528221 (Previous year Rs.739941016) are pending for submission to the government as at the end of current reporting period.

21 OTHER INCOME

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Profit on sale of assets	1147	115222
Miscellaneous receipt/ tender Fees	1572164	2167290
Depot charges received	3324846	0
Interest from bank/ vehicle loan/ others	52497966	32219107
Cash discount/ commission	502438	619371
Interest received from parties on overdue bills	4428907	3690302
Liabilities/ excess provisions written back	1469905	624579
Excess Provision for Gratuity liability written back	0	10023165
Provision no longer required written back	4057813	16231485
TOTAL	67855186	65690521

During the previous year, considering the average rise in salary and D.A., the assumption for salary escalation rate for the purpose of Actuarial Valuation was reduced from 18% to 16%. As a result of which excess provision against Gratuity liability and Leave Salary Encashment amounting to Rs.10023165 and Rs. 13916568 respectively was written back during the previous year.

22 PURCHASES OF STOCK IN TRADE

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Purchases less returns		
-Yarn	24540694566	22702185352
-Dyes & chemicals	416945513	459507534
-Fabrics	41791	1809958
TOTAL	24957681870	23163502844

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

The value of Yarn procured from Micro and Small Enterprises (MSEs) (including MSEs owned by SC/ ST entrepreneurs) during the year 2015-16 is Rs.15240259581 (62.10% of total yarn procured) as against Rs. 13210057036 (58.19% of total yarn procured) during the previous year 2014-15.

23 TRANSPORTATION/ DEPOT CHARGES

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Transportation Charges	364620951	287298400
Depot Charges	400694372	354976375
TOTAL	765315323	642274775

Transportation and depot charges under Yarn Supply Scheme amounting to Rs. 765315323 (Previous year Rs. 642274775) on account of supply of yarn has been accounted for on accrual basis. Out of which, claims for expenses totaling Rs. 129474822 (Previous year Rs.222062791) are pending for submission to the government as at the end of current reporting period. Provision for transportation and depot charges payable to the user agencies has been made in accordance with the scheme.

24 CHANGES IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE

	(In Rs.)		
	OPENING STOCK as at the end of previous reporting period	CLOSING STOCK as at the end of current reporting	INCREASE (-)/ DECREASE (+)
YARN	6959585	9255135	-2295550
DYES & CHEMICALS	6278518	5442411	836107
FABRICS	0	0	0
TOTAL	13238103	14697546	-1459443
	OPENING STOCK ON 1.4.2014	CLOSING STOCK ON 31.3.2015	INCREASE (-)/ DECREASE (+)
YARN	3072074	6959585	-3887511
DYES & CHEMICALS	6082447	6278518	-196071
FABRICS	0	0	0
TOTAL	9154521	13238103	-4083582

25 EMPLOYEE BENEFITS EXPENSES

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
a) Salary & Wages		
Salary and allowances	113542312	105190960
Salary and allowances (Managing Director)	2135942	1799006
Leave encashment-Including provision for accrued leave (includes Rs. Nil for MD -Previous year Rs.Nil)	15701957	0
Ex-Gratia (Includes Rs. 304213 for MD - Previous year Rs.278518)	16590000	15640000
Children education reimbursement (includes Rs.NIL for MD - Previous year Rs.NIL)	358914	359002
Conveyance reimbursement	1731228	1515147
Recruitment Expenses	1506277	1068829
Leave travel concession/encashment (Includes Rs.Nil for MD - Previous year Rs. Nil)	979313	461303
Medical expenses (Includes Rs.22562 for MD- Previous year Rs 18955)	7355221	6992025
Training to personnel	699713	860828
Sub Total (a)	160600877	133887100
b) Contribution to PF & other Fund		
Employers contribution to CPF & FPF/ EDLI scheme (Includes Rs. 235307 for MD - Previous year Rs.215882)	13414116	13300951
Gratuity	1232410	0
Sub Total (b)	14646526	13300951

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
c) Staff Welfare expenses		
Staff welfare expenses (including honorarium, reward uniform & liveries)	3790613	3055064
	206547	278660
Group personal accident and Gratuity insurance		
Payment to Deceased Employee Scheme	1440400	1410200
Sub Total (c)	5437560	4743924
Total (a+b+c)	180684963	151931975

a) As per Accounting Standard -15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard is given below:-

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Employer's contribution to CPF/ FPF & EDLI Schemes.	13414116	13300951

Corporation's provident fund is exempted u/s 17 of Employee's Provident Fund Act, 1952. Condition to exemptions stipulates that the employer shall make good deficiency, if any, in the interest rate declared by the trust against the statutory rate.

b) During the previous year, considering the average rise in salary and D.A., the assumption for salary escalation rate for the purpose of Actuarial Valuation was reduced from 18% to 16%. As a result of which excess provision against Gratuity liability and Leave Salary Encashment was written back and no further provision was made during the previous year.

c) Remuneration paid to Key Managerial Personnels (KMP) during the year 2015-16 is as below:- (In Rs.)

SI No.	Particulars of Remuneration	Key Managerial Personnel			
		MD	ED (FINANCE)	DGM (F&A) and Company Secretary	TOTAL
01.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2358549	692441	1498671	4549661
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	55867	5120	11800	72787
	(c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	0	0	0	0
02.	Stock Option	0	0	0	0
03.	Sweat Equity	0	0	0	0
04.	Commission				
	- as % of Profit	0	0	0	0
	- others, specify.....	0	0	0	0
05.	Others, please specify.....	0	0	0	0
	TOTAL	2414416	697561	1510471	4622448

ED (Finance) joined the corporation w.e.f 19.10.2015.

26 FINANCE COSTS

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Interest to bank/ others	0	0
Other Borrowing cost	0	0
Total	0	0

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
(a) ADMINISTRATIVE EXPENSES		
Travelling expenses (Including Rs. 4050147 for MD - Previous year Rs.4114393)	15820933	14093127
Payment to auditors	300070	218382
Board meeting expenses	0	0
Books & periodicals	130691	123194
Conveyance expenses	5578519	3696079
Electricity/water charges	2799003	2364473
Insurance	141373	195625
Legal & professional charges	2818202	1984522
Membership fees & subscription	265291	52168
Office upkeep	1741493	2257842
Printing & stationery	2712654	2771357
Postage/telegram/telephone & telex	4565962	4028361
Rent, rates & taxes (net of recoveries) (includes lease rent for residential accommodation of MD Rs. 21000 - Previous year Rs. 252000)	4807092	4232404
Repair & maintenance	1477300	2521766
Service vehicle expenses	785608	999925
Security expenses	3968454	1911947
Miscellaneous expenses	1266	30246
TOTAL (a)	47913911	41481418

i) Payment made to auditors is as below:-

Audit Fee	125000	101500
Other Capacity	139865	104143
Travelling Exp.	35205	12739
TOTAL	300070	218382

(b) TRADE

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Advertisement & publicity	3247269	685295
Business promotion	127252	441773
Discount, commission & rebate	3472865	3809630
Bank charges	122388	75918
Freight & other charges	274669	486619
Meeting expenses	2776249	1713537
Tender fees	0	2100
Sales tax	0	0
Transit Insurance on goods	233863	283118
Software implementation/ maintenance expenses	3946059	478336
Data entry charges	1250936	829075
TOTAL (b)	15451550	8805401
TOTAL (a+b)	63365461	50286819

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
a) PROVISION, WRITE OFF ETC.		
Loss on sale of assets	32414	37242
Loss on impairment of assets	-	-
Provision for doubtful debtors	3595711	2531347
Provision for doubtful advances to supplier	0	0
Sub Total	3628125	2568589
b) Prior Period Adjustments	-537405	-509751
c) VRS Compensation	0	0
Total (a+b+c)	3090720	2058838

Details of Prior Year Adjustments (Net) for Rs. 537405-Credit (Previous year Rs. 509751-Credit) are as under:-
(Rs.)

Particulars	Credit
Depot charges received	537405
Total	537405

29 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Expenses on Corporate Social Responsibility	7396129	7419789
Total	7396129	7419789

The details of CSR activity undertaken during the year 2015-16 is as below:-

- Gross amount required to be spent on CSR Activity during the F.Y. 2015-16 **4487838**
- Amount spent during the F.Y. 2015-16 (as per details below) **7396129**

(In Rs.)

	Paid during current year	Yet to be paid	Total
a) Amount spent on construction of toilets and village development during the year	4515594	990535	5506129
b) Amount spent on distribution of Battery Linked Inverters and Lighting Units (BLILUs) to the BPL weavers		1890000	1890000
Total	4515594	2880535	7396129

30 TAX EXPENSES- Current Tax (Provision)

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Income Tax for Current year	134515000	125100000
Income Tax for earlier year	0	0
Total	134515000	125100000

During the year provision for income tax of Rs. 134515000 (Previous year Rs. 125100000) has been made in the accounts.

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

31 OTHER NOTES

1 CONTINGENT LIABILITIES & COMMITMENTS :-

(A) Contingent Liabilities:-

(a) Sales tax- Rs. 29231099 (Previous year Rs.29161038).

(i) The Trade Tax Department, Maharashtra has passed an Assessment Order in respect of Dyes and Chemicals Office Mumbai, raising a demand of Rs. 11220365 (including interest of Rs. 5747016) for the financial year 2006-07 and Rs. 2422296 (including interest of Rs. 1180093) for the Financial Year 2007-08 by disallowing the exemption of transit sale u/s 6(2) of CST Act. The corporation has filed an appeal against these financial years which has been admitted for final hearing on part payment of Rs. 1500000 against the financial year 2006-07 and Rs. 375000 against the financial year 2007-08.

(ii) Demand for Rs. 5388000 (Previous Year Rs. 5388000) has been raised by the Sales Tax Department Chennai for the financial year 2011-12 and financial year 2012-13, on which a stay has been obtained from Hon'ble Madras High Court.

(iii) Demand for Rs.10130377 (Previous Year Rs. 10130377) including interest for Rs. 4564236 (Previous Year Rs. 4564236) has been raised by the Sales Tax Deptt., Haryana by issuing Revision Order dated 16th June 2015 by adding the Grant-in-aid against freight reimbursement in the Gross Turnover for the year 2009-10. Corporation has filed an appeal against the said revision order in the Haryana VAT Tribunal.

(iv) Notice for demand of Rs.70,061 raised by Sales Tax Department, Haryana on 07.07.2015 under the revision order of AY 2009-10.

(b) Claims/ demands against the corporation not acknowledged as debts.

(i) Interest on outstanding claimed by the suppliers Rs. 293000 (Previous year Rs.293000)

(ii) Court cases against the company - Rs. Nil (Previous year Nil)

(iii) Bank guarantee issued in favour of M/s U P Pollution Control Board - Rs. 200000 (Previous year Rs.2000000).

(iv) Bank Guarantee in favour of Sales Tax Deptt., Haryana for Rs. 10130377 (Previous Year Rs. 10130377).

(v) Lucknow Development Authority common service charges- Rs. 4577446 (Previous Year 4577446).

(B) Commitment:-

Estimated amount of contract remaining to be executed on capital account is Rs. 12331720 (Previous year Rs.33220).

2 Since the amount is not ascertainable pending finalization of assessment by the concerned sales tax authorities, no provision for sales tax liability, if any, under the provision of Central and various State Sales Tax Acts has been made in respect of sales of yarn, dyes & chemicals and fabrics.

3 The Managing Director was allowed the use of Company Car during the year for non-duty journeys on payment of Rs.325/- per month.

4 Additional information pursuant to Schedule III Part II to the Companies Act, 2013:-

A) Licensed and installed capacity of production - Not applicable.

B) Quantitative information in respect of Opening Stock, Purchases, Sales and Closing stock are as under:-

(Unit in Lac Kgs)
(Value in Rs.)

Sl. No.	PARTICULARS	YARN		DYES & CHEMICAL		FABRIC	
		Unit	Value	Unit	Value	Unit	Value
1	Opening Stock - Current Year	0.208	6959585	0.304	6278519		
	- Previous Year	0.081	3072074	0.339	6082447		
2	Purchase - Current Year	1727.869	24540694566	37.395	416945513	-	41791
	- Previous Year	1487.546	22702185352	36.866	459507534	-	1809958
3	Sale - Current Year	1727.814	23611971547	37.461	448429646	-	41791
	- Previous Year	1487.419	21672990610	36.901	494787034	-	1852684
4	Closing Stock - Current Year	0.263	9255135	0.238	5442411		
	- Previous Year	0.208	6959585	0.304	6278518		

C) Value of Import on CIF basis in respect of (i) Dyes & chemicals is Rs. Nil (Previous year Rs.Nil) and in respect of (ii) Raw Material (iii) Components & spare parts (iv) Capital goods is Rs. Nil (Previous year - Rs. Nil).

D) Earnings in Foreign Currency - Rs. Nil (Previous Year- Rs.Nil).

E) Expenditure incurred in foreign Currency - NIL (Previous year - Rs. Nil).

F) Value of imported raw material, spare parts and components consumed - Rs. Nil (Previous year - Rs. Nil).

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

5 In accordance with the requirements of AS-17, i.e. Segment Reporting as issued by ICAI, Activity wise financial information as reporting segments consisting of Yarn, Dyes & Chemicals and Fabric is as under:-

(Amount in Rs.)					
		<u>Yarn</u>	<u>Dyes & Chemicals</u>	<u>Fabrics</u>	<u>Total</u>
A)	Primary information				
1	Segment wise Revenue	23611971547	448429646	41791	24060442984
2	Segment wise Results	439268990	11537898	-402015	450404873
3	Unallocated overheads	-	-	-	-114213363
4	Interest from Bank & others	-	-	-	35874279
5	Other Income	-	-	-	5071788
6	Prior period adjustments	-	-	-	0
7	CSR Expenditure				-7396129
8	Profit before tax	-	-	-	369741448
9	Provision for Tax including earlier year	-	-	-	-134515000
10	Deferred tax	-	-	-	5566226
11	Profit after tax	-	-	-	240792674
12	Segment-wise assets	2683782284	147561909	18614332	2849958525
13	Unallocable Corporate Assets (Including Financial Assets).	-	-	-	1631878314
14	Total Assets	-	-	-	4481836839
15	Segment wise liabilities includes Bank Borrowing	2993767691	55874513	21011474	3070653678
16	Unallocable Corporate liabilities (Including Bank Borrowings)	-	-	-	578444430
17	Total liabilities	-	-	-	3649098108
18	Depreciation segment-wise	2403448	174337	0	2577785

Notes:- i. There is no inter segment transaction in segment-wise revenue.
ii. Segment- wise result includes interest on overdue bills/ deferred accrued interest for Rs.4428907.
iii. Segment-wise result includes liabilities/ provisions written back for Rs. 1469905 (credit) , previous year adjustments for Rs. 537405(Credit) and provisions & write off etc made for Rs. 3628125 (Debit).

(Amount in Rs.)			
B)	Secondary Information	Name of the Region	Segment Revenue
1	Segment Revenue by geographical area for the segment whose revenue is 10% or more of total revenue of all geographical segments.	RO Panipat	9001665763
		RO Coimbatore	8711823191
		RO Hyderabad	2252213777
		Name of the Region	Assets
2	Segment assets by geographical location of assets of the segment whose assets are 10% or more of total assets of all geographical segments.	RO Panipat	1332003769
		RO Coimbatore	565963495
		RO Hyderabad	338141531
		Name of the Region	Addition to Fixed Assets
3	Additions to fixed assets for the segment where assets are 10% or more of the total assets of all geographical segments.	RO Panipat	286809
		RO Coimbatore	147578
		RO Hyderabad	204239

6 Note 1 to 31 and significant Accounting Policies annexed to Balance sheet as at the end of current reporting period and Statement of Profit and Loss, Change in Equity and Cash Flow for the year ended on that date form an integral part of Accounts.

7 The figures of previous year have been re-casted/ re-grouped wherever necessary to render them comparable with the figures of current year.

8 Figures have been rounded off to the nearest rupee.

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

As per our Report of even date
For A Srivastava & Co.
Chartered Accountants

Sd/-
CA Akhilesh Kumar Srivastava
Partner
M.No. 089673
F.R.No. 511001C

Place: NewDelhi
Date:

NATIONAL HANDLOOM DEVELOPMENT CORPORATION LTD, LUCKNOW

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH 2016

(A) Equity Share Capital

(Amount in Rs.)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
190000000	-	190000000

(B) Other Equity

(Amount in Rs.)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through other Comprehensive income	Effective portion on Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature) Reserve for Development Activity and Medical	Retained earnings							
Balance at the beginning of the reporting period					6407744	488799853							
Changes in accounting policy of prior period errors					-	-							
Restated balance at the beginning of the reporting period					-	-							
Total Comprehensive Income for the					-	-							
Dividends						73100000							
Transfer to retained earnings					8843485	240792674							
Any other change (to be specified)					5563327	23441698							
Balance at the end of the reporting					9687902	633050829							

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/
Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

As per our Report of even date
 For A Srivastava & Co.
 Chartered Accountants

Place: NewDelhi
Date:

Sd/-
CA Akhilesh Kumar Srivastava
Partner
M.No. 089673
F.R.No. 511001C

NATIONAL HANDLOOM DEVELOPMENT CORPORATION LTD, LUCKNOW

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

(Amount In Rs.)

PARTICULARS	2015-16	2014-15
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	369741448	386007683
Adjustments :		
i Depreciation	4047596	4897931
ii Expenditure on developmental activities/medical corpus charged to relevant fund	-5279842	-2843606
iii Income tax provision written back during the year	-3465759	-8250
iv Loss on Sale of Assets	32414	37242
v Profit on Sale of Assets	-1147	-115222
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	365074710	387975778
CHANGES IN WORKING CAPITAL (Excluding Cash & Bank Balances)		
Increase/Decrease in:		
i Inventories	-1685343	-4083583
ii Book-debts	-480762594	-270253939
iii Loans & Advances	-40710976	52218491
iv Receivables	993247140	-908801253
v Trade & other Payables	161567497	734485586
Cash Generated from Operations	996730434	-8458920
Less : Income Tax paid *	-124272778	-138326750
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	872457656	-146785670
(B) CASH FLOW FROM INVESTING ACTIVITIES		
i Sale of Fixed Assets	3600	195900
ii Addition to Fixed Assets/W.I.P	-5726752	-80242915
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-5723152	-80047015
(C) CASH FLOW FROM FINANCIAL ACTIVITIES		
i Payment of Dividend	-61502938	-28195795
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-61502938	-28195795
(D) NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)	805231566	-255028480
(E) CASH AND CASH EQUIVALENT- OPENING BALANCE	404783936	659812416
(F) TOTAL	1210015502	404783936
(G) CASH AND CASH EQUIVALENT- CLOSING BALANCE	1210015502	404783936
Cash & Cash Equivalent represent :		
1 Cash in Hand	0	45009
2 Balance with Banks in Current & Fixed deposit Account	1210015502	404738927
Total	1210015502	404783936

Notes :

- Cash flow statement has been prepared under the indirect method as set out in the AS-3, issued by the ICAI.
- Previous year's figures have been regrouped/ re-classified wherever applicable.

Sd/-
Jai Gopal Mahajan
Dy.Gen.Mgr. (F&A)/ Company Secretary

Sd/-
Naveen Kumar Gupta
Executive Director(Finance)

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Alok Kumar
Chairman

As per our Report of even date
For A Srivastava & Co.
Chartered Accountants

Place: NewDelhi
Date:

Sd/-
CA Akhilesh Kumar Srivastava
Partner
M.No. 089673
F.R.No. 511001C

INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013, BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE.				
i) Registration details:				
CIN No.				U17299UP1983GOI005974
Registration No.				5974/ 83
State Code				20
Date of Balance sheet				31-03-2016
ii) Capital raised during the year (Amount in Rs.) subscribed by Government of India.				
-				
iii) Position of Mobilization and Deployment of Funds (Amount in Rs.)				
Total Liabilities				Total Assets
4481836839				4481836839
Sources of Funds				
Paid up Capital				190000000
Reserve & Surplus				642738731
Deferred tax liability (net)				-27116587
Corpus Fund (Marketing Complex & Mega Cluster)				214082615
Other Non Current liabilities				0
Current liabilities				3462132080
Application of Funds				
Net Fixed Assets - Tangible				116829903
- Intangible				155196
Capital work in progress				6285800
Deployment of Corpus Fund (Marketing Complex & Mega Cluster)				214082615
Other Non Current Assets				396078
Current Assets				4144087247
iv) Performance of the company				
Turnover				24060442984
Total Expenditure				23690701536
Profit before Tax				369741448
Profit after Tax				240792674
Earning per share in Rupees				126.73
Dividend (% age of Share Capital)				38.47%
v) Generic name of the principal product of the company				
Product description				Item Code No. (ITC Code)
Yarn				5208(Cotton)
Dyes & Chemicals				3204(Dyes)
Fabric				N.A.
Sd/- Sd/- Sd/- Sd/-				
Jai Gopal Mahajan		Naveen Kumar Gupta		Sarvepalli Srinivas
Dy. Gen. Manager (F&A)/		Executive Director (Finance)		Managing Director
Company Secretary				Alok Kumar
				Chairman
As per our Report of even date				
For A Srivastava & Co.				
Chartered Accountants				
Sd/-				
CA Akhilesh Kumar Srivastava				
Partner				
Place: NewDelhi				M.No. 089673
Date:				F.R.No. 511001C