28th ANNUAL REPORT 2022-23

Making waves for a better tomorrow, one ripple at a time

NTADCL

NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

Company Information

Board of Directors

Mr Shiv Das Meena, I.A.S. (w.e.f 23.06.2021)	Chairman
Dr. Chandrakant B Kamble, I.A.S. (w.e.f 23.07.2021)	Managing Director
Mr. Prashant M Wadnere, I.A.S. (w.e.f 17.12.2021)	Director
Mr. L. Krishnan, I.A.S., (Retd.) (w.e.f 05.10.2010)	Director
Mr. Faizal N Syed (w.e.f 26.02.2002)	Director
Mr. A. Sakthivel (w.e.f 01.03.1995)	Director
Mr. Baiju Mathew (w.e.f 19.03.2021)	Director
Mr. R. Ananda Ganesan (w.e.f 17.12.2021)	Director
Mrs. K. Bhoomalakshmi (w.e.f 19.03.2021)	Director
Mr. G. Mahalingam (w.e.f 20.02.2022)	Director

BANKERS

State Bank of India

STATUTORY AUDITORS

M/s. Venkat and Rangaa LLP
Majestic Apartments,
Flat No 5,No 13,
Soundarajan Street,
T Nagar, Chennai 600 017
FRN: 004597S
Ph No : 044 - 24326429
E mail: vandr1984@gmail.com

SECRETARIAL AUDITORS

M/s V Suresh Associates
#28, Ganpathy colony III Street,
Teynampet,
Chennai – 600018
FCS No: 11533
C.P.No: 21973
Ph No: 044 – 42111701
E Mail: vsassociates16@gmail.com

REGISTERED OFFICE

No.66, Appachi Nagar,
Main Road, Kongu Nagar,
Tirupur 641 607.
Ph No: + 91 421 2486864
/ 2481165

CORPORATE OFFICE

"Polyhose Towers", First Floor, No.86,
Mount Road, Guindy,
Chennai 600 032.
Phone: +91 44 2235 1890 / 91
E mail: contactus@ntadcl.com
CIN: U91990TZ1995PLC005869.

TIRUPUR OFFICE

First Floor, Kumaran Complex,
Kumaran Road,
Tirupur 641 601
Phone: + 91 421 2486864 / 2481165
E mail: tirupur@ntadcl.com

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28th Adjourned Annual General Meeting

NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

(CIN : U91990TZ1995PLC005869)
Registered Office: No.66, Appachi Nagar Main Road, Kongu Nagar, Tirupur – 641 607
Tel: 0421-2486864/2481165 Fax: 0421-2486874
Website : www.ntadcl.com

SHORTER NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

SHORTER NOTICE is hereby given that the **Adjourned Twenty Eighth (28th) Annual General Meeting** of the shareholders of **NEW TIRUPUR AREA DEVELOPMENT CORPORATION LTD** ***(which had been originally Convened on Friday, 29th December 2023 at 12 Noon,*** whereas the ***consideration of the undernoted item of business was adjourned sine die)*** will be held at Poppy's Hotel, #7/27, Avinashi Road, Thirumurugan Poondi, Tirupur – 641 652 on Wednesday, 24th December 2025 at 11.00 AM (IST) to transact the following business:

ORDINARY BUSINESS :

1, *Item no. 1 of the Original Notice: - To receive, consider and adopt the Audited Financial Statements of the Company containing Balance Sheet as at March 31, 2023, Profit & Loss Account and Cash Flow Statement of the Company for the year ended 31st March 2023 together with the Report of the Board, Reports & Comments of the Auditor and Comptroller and Auditor General of India thereon and reply of the management thereto.

*** Please refer to attached Explanatory Statement relating to Item Nos.1**

BY ORDER OF THE BOARD

Sd/-

Place: Chennai
Date : 15.12.2025

Dr. D. Karthikeyan
CHAIRMAN
(DIN : 02259481)

NOTE REGARDING NOTICE OF ADJOURNED 28TH ANNUAL GENERAL MEETING

As the shareholders are aware, the standalone audited financial statements for the financial year ended March 31, 2023, could not be adopted at the 28th Annual General Meeting (AGM) originally held on December 29, 2023, as the statutory audit had not been conducted due to the resignation of the Statutory Auditor.

To enable the completion of the audit, the Board, at its meeting held on April 17, 2023, filed an application with the Comptroller and Auditor General of India (CAG) for the appointment of a new Statutory Auditor for FY 2022–23.

Pending the appointment, the Company sought and obtained an extension from the Registrar of Companies (ROC) to hold the AGM by December 31, 2023, in line with Section 96 of the Companies Act, 2013. Accordingly, the 28th AGM was convened on December 29, 2023, to transact six items of business. All items, except Item No. 1 – *Adoption of Financial Statements,* were duly transacted. Item No. 1 was adjourned *sine die*.

Subsequently, the CAG appointed M/s. Venkat and Rangaa LLP as Statutory Auditors for the financial years 2022–23 to 2024–25. The auditors completed the audit for FY 2022–23 and the audited financial statements were approved by the Board at its meeting held on March 27, 2025. (Revised on 8th Oct 2025).

The revised audited financials were submitted to the Principal Accountant General (Audit I), Chennai, and comments from the CAG under Section 143(6) (b) of the Companies Act, 2013, have been received. A copy of the CAG's comments is enclosed with this notice.

Accordingly, the adjourned 28th AGM is now being reconvened to consider the adoption of the audited financial statements of the Company for the year ended March 31, 2023, including the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Board's Report, Auditor's Report, CAG's comments, and the Management's reply thereto.

The Annual Report for FY 2022–23, including all statutory annexures and the CAG's comments, is enclosed with this notice of the adjourned 28th AGM.

The other agenda items of the original AGM notice dated November 27, 2023, were already circulated. Members who wish to receive a copy of the original notice in physical or electronic form may write to the Company.

In terms of the provisions of Standard No 15.2 of "Secretarial Standard on General Meeting (SS-2)' issued by the Institute of Company Secretaries of India, a fresh notice in terms of the provisions of Companies Act, 2013 is being given for this adjourned meeting since the meeting was adjourned sine die.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBERS OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF ADJOURNED ANNUAL GENERAL MEETING.

2. PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION /AUTHORITY AS APPLICABLE

3. Corporate members / Institutional Shareholders (i.e., other than individuals / HUF, NRI etc.) intending to send their authorized representatives to attend the adjourned Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing their representative to attend and vote at the AGM.

4. All documents and register of Directors and KMP and their shareholding mentioned under section 180, referred to in the accompanying Notice are open for inspection and it will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to company contactus@ntadcl.com.

5. This meeting is being **at a shorter notice than** the statutory required minimum of 21 clear days. pursuant to the provisio ns of section 101 of the Companies Act, 2013 a general meeting may be called after giving a shorter notice, if consent is given in writing or by electronic mode, by members, who represent not less than ninety five percent of members entitled to vote thereat. the members are accordingly requested to give their consent to hold the meeting at the shorter notice on contactus@ntadcl.com.

6. **As per Companies (Prospectus and allotment of securities) Third Amendment Rules, 2018, securities of Unlisted Public Company can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.**

7. Members / Proxies should bring the Admission Slip sent herewith duly filled in for attending the Meeting

8. This Notice also contains a route map of the venue of the AGM

9. The Meeting shall be held subject to receipt of respective consents, prior to the time fixed for the Meeting, from the requisite number of Members as provided in sec. 101 and sec. 136(1) of the Companies Act, 2013, entitled to vote at the meeting to shorter Notice and for sending the accompanying documents at a shorter period of time than that specified.

10. The Comments of the C&AG has been received; and the Board of Directors has noted the C&AG comments.

BY ORDER OF THE BOARD

Sd/-

Place : Chennai
Date : 15.12.2025

Dr. D. Karthikeyan
CHAIRMAN
(DIN : 02259481)

ANNEXURE 1

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

ATTENDANCE SLIP

28th Annual General Meeting(adjourned) Wednesday, 24th December 2025 at 11.00 AM

Folio/DP & Client No. .... No. of Shares ....

Held: ....

Name: ....

Address: ....

I/We hereby record my / our presence at the adjourned 28th Annual General Meeting of the Company

held at ____________________ on _________________________.

....

Signature of shareholder / proxy

Note:

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

New Tirupur Area Development Corporation Limited

Registered Office: No.66, Appachi Nagar Main Road, Kongu Nagar, Tirupur – 641 607
Tel: 0421-2486864/2481165 Fax: 0421-2486874
CIN: U91990TZ1995PLC005869 www.ntadcl.com

PROXY FORM

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

Name of the Member[s]	
Registered Address	
E-Mail ID :	
Folio No./DP Id-Client Id:	

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

1. Name :.. Email Id..

   Address: ....

   Signature ....

or failing him / her

2. Name :.. Email Id..

   Address: ....

   Signature ....

or failing him / her

3. Name :.. Email Id..

   Address: ....

   Signature ....

as my/our proxy to attend and vote [on a poll] for me//us and on my/our behalf at the adjourned 28th Annual General Meeting of the Company to be held on on Wednesday, the 24th day of December 2025 at 11AM at Poppy's Hotel Pvt Ltd., #7/27, Avinashi Road, Thirumuruganpoondi – 641 652, Tirupur and at any adjournment thereof in respect of such resolutions as are indicated below / overleaf:

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

Resolution No.	Resolutions	For	Against
Ordinary Business			
1	Adoption of Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Auditors for the Financial Year ended 31st March 2023		

Signed this ....day of..2025

Affix
Revenue Stamp

....

Signature of Shareholder

....

Signature of Proxy Holder [s]

Notes:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2) A proxy need not be a Member of the Company

3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4) This is only optional. Please put a (X) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

Shorter Notice Consent

THE COMPANIES ACT, 2013

Consent of shareholder for shorter notice

[Pursuant to section 101(1)]

Date: 15/12/2025

To,

The Board of Directors
New Tirupur Area Development Corporation Limited
Regd. Office: - 66, Appachi Nagar Main Road,
Kongu Nagar, Tirupur.

Subject : Consent to Convene Adjourned Annual General Meeting (28th AGM) of the F.Y. 2022-23 at a Shorter Notice

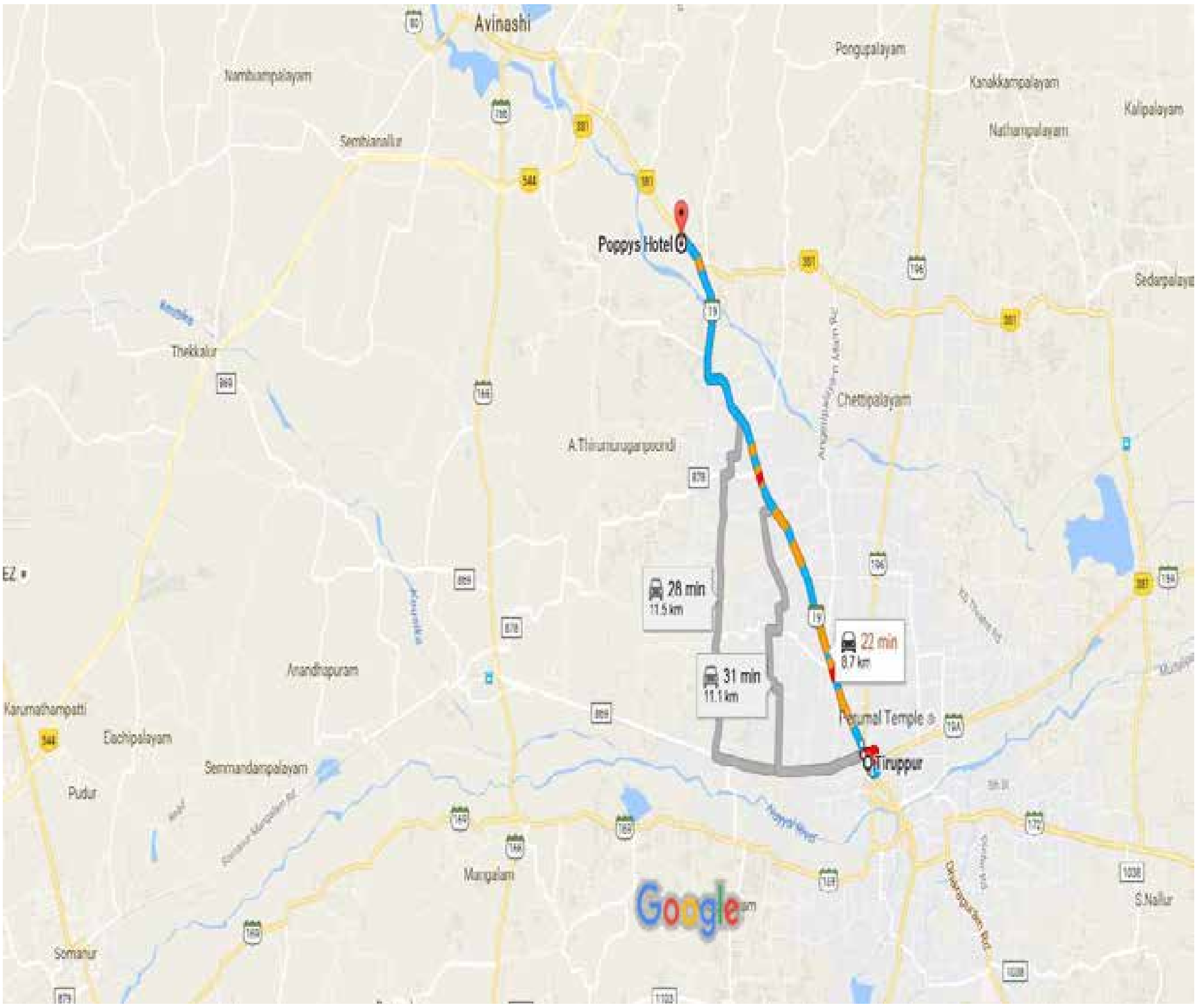
Dear Sir/Ma'am,

I, ________________ R/o ____, holding ________ share/shares in the Company, hereby give my consent pursuant to Section 101(1) of the Companies Act, 2013 to hold the Adjourned Annual General Meeting of the Company of F.Y. 2022-23 at a shorter notice on Wednesday, 24th December 2025, at 11:00 AM (IST), at Poppy's Hotel Pvt Ltd., #7/27 Avinashi Road, Thirumurganpundi 641 652, Tirupur, Tamilnadu, India vide physical mode.

____

______________________ (Member)

Route Map



Route Map
28th (Adjourned) Annual General Meeting

Date : 24th December 2025

Day : Wednesday

Time : 11.00 AM

Venue : **Poppys Hotel, #7/27 Avinashi Road, Thirumuruganpoondi, Tirupur – 641 652**

BOARD'S REPORT

Your Directors have pleasure in presenting the Twenty-Eight Annual Report of the Company with the audited financial statements and accounts for the year ended 31st March, 2023

Financial Results:

Key highlights of financial performance for the year ended March 31, 2023 are summarized as under:

(Rs.in crores)

Particulars	FY 2022-23	FY 2021-22
A) Revenue from Operations B) Other Income	**231.84** **13.79**	226.56 (28.47)
Total Income (A+B)	**245.63**	198.09
Expenditure	**97.13**	92.19
Profit/(Loss) Before Interest, Depreciation and Tax (PBIDT)	**148.50**	105.90
Interest Expenses*	**14.23**	23.89
Depreciation	**31.64**	31.54
Profit / (Loss) Before Tax (PBT)	**102.63**	50.47
Add : Tax Expense- Deferred Tax	**33.50**	-
Profit/[Loss] After Tax (PAT)	**136.13**	50.47
Balance of Profit/[Loss] b/fwd.	**(287.73)**	(338.24)
Surplus [Deficit] carried to balance sheet - Net of Adjustment of Rs 4.07 Lacs in FY 21-22	**(151.60)**	(287.77)
EPS-in Rs.	**2.27**	0.84

Note*-Interest expense includes financial guarantee of Rs.0.64 Crores in the financial year 2022-2023 and Rs.1.14 Crores in the previous year as per IND AS.

Performance

The revenue from operation of the company for the year was Rs.231.84 Crores as against Rs. 226.56 Crores in the previous year.

Profit before interest, depreciation and tax (PBIDT) was Rs.148.50 Crores compared to Rs.105.90 Crores in the previous year.

After absorbing interest and depreciation of Rs.14.23 Crores and Rs.31.64 Crores respectively, the profit before tax (PBT) was Rs.102.63 Crores in the financial year 2022-2023, as compared to a profit of Rs. 50.47 Crores, in the previous year.

For the year ended March 31, 2023, a Deferred Tax Asset of Rs. 33.50 Crores was recognized.

Profit after tax for the year ended March 31, 2023 was Rs.136.13 Crores, as compared to Rs.50.47 Crores in the previous Year.

Accounting Standards (IND AS):

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (IND AS) are applicable to certain classes of Companies from April 1, 2016 with a transition date of April 1, 2015. IND AS is applicable to the Company from April 1, 2021 by virtue of the net worth criteria. Accordingly, the Company has adopted IND AS from April 1, 2021 and the financial statement for the year ended March 31, 2023 are prepared in accordance with principles laid down in the said IND AS.

Dividend:

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

Transfer To Reserves

During the financial year 2022-23, the Company has not transferred any amount to reserves. The profits have been retained to support business operations and future growth initiatives.

Operations Review:

An adequate storage level was maintained in Mettur Dam, ensuring a continuous and sufficient discharge of water throughout the year, with no interruptions in plant operations.

The plant continues to operate in strict adherence to standard operating procedures and statutory norms.

During FY 2022-23, industrial water off-take declined by approximately 2.6% compared to the previous financial year (FY 2021-22). However, domestic water off-take registered a growth of around 1.7% over the same period.

The Company is actively identifying new potential areas and customers to expand its industrial water supply. It is expected that these efforts will contribute to an increase in industrial revenue through the addition of new customers.

The volume of sewage treated during FY 2022-23 improved by approximately 11.39% compared to the previous year. Sewage treatment operations continue to comply with the regulations set by the Tamil Nadu Pollution Control Board (TNPCB). With the expansion of the sewage network under the AMRUT Scheme by Tirupur Corporation, an increase in residential connections is anticipated, leading to a higher inflow of sewage for treatment in the coming years.

Financial Review

The revenue from operations for the current financial year stood at ₹ 231.84 crores, reflecting a growth of 2.3% compared to ₹ 226.56 crores in the previous year. The company recorded a net profit after tax of ₹ 136.13 crores. Of the total revenue for the current year, ₹ 215.70 crores were generated from the water business, while ₹ 7.44 crores were contributed by sewage treatment operations. Looking ahead, the company remains optimistic about sustaining and further improving its performance in the coming years.

As of March 31, 2023, the accumulated losses stand at ₹ 151.60 crores.

Additionally, an appeal filed by an aggrieved shareholder against the judgment of the Madras High Court, which permitted the implementation of the Corporate Debt Restructuring (CDR), is currently pending before the Supreme Court.

Corporate Governance

a) Board Meetings

The Board convened three meetings during the financial year, on June 26, 2022, August 26, 2022, and December 20, 2022. The interval between any two meetings remained within the statutory limits prescribed under the Companies Act, 2013 and Secretarial standard issued for that.

b) Board of Directors and Key Managerial Personnel

During the year under review,

i) IL & FS had withdrawn the nomination of Dr. Malini V Shankar, as its Nominee Director and had nominated Mr G. Mahalingam in his place with effect from 20th December 2022.

The Board placed on record its appreciation for the valuable contribution and wise counsel rendered by Dr. Malini V Shankar during her tenure as members of the Board

ii) Members' attention is drawn to Item (2) of the Notice for re-appointment of Dr A. Sakthivel as Director of the Company, liable to retire by rotation and Item (3) of the Notice for re-appointment of Mr G Mahalingam as Director of the Company, liable to retire by rotation

iii) Members' attention is drawn to Item (4) of the Notice for re-appointment of Dr. D. Karthikeyan., I.A.S as Director and non–executive chairman of the Company, liable to retire by rotation.

iv) Members' attention is drawn to Item (5) of the Notice for re-appointment of Dr P. Senthil Kumar, I.A.S as Director of the Company, liable to retire by rotation and Item (6) of the Notice for re-appointment of Tmt. Archana Patnaik, I.A.S as Director of the Company, liable to retire by rotation

Key Managerial Personnel: Pursuant to Section 203 of the Companies Act, 2013, Mr. Chandrakant B. Kamble, I.A.S., serves as the Managing Director and Key Managerial Personnel of the Company.

Additionally, Mr. Saurabh Misra was appointed as the Company Secretary at the Board meeting held on December 20, 2022, and assumed office with effect from February 28, 2023.

c) Audit Committee

The Audit Committee met once during FY 2022-23, on June 26, 2022, with the following members:

1. Mr. Faizal N. Syed
2. Dr. Malini Shankar
3. Mrs. K. Bhoomalakshmi

However, due to the absence of Independent Directors on the Board, the Committee could not be considered a statutory Audit Committee under Section 177 of the Companies Act, 2013. Consequently, the Board decided to discharge the audit committee - related functions in compliance with the Act until a properly constituted Audit Committee, including Independent Directors, is formed.

d) Nomination and Remuneration Committee

The Nomination and Remuneration Committee met once during FY 2022-23, on June 26, 2022, with the following members:

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

However, due to the absence of Independent Directors on the Board, the Committee could not be considered a statutory Nomination and Remuneration Committee under the Companies Act, 2013. Consequently, the Board decided to discharge the relevant functions in compliance with the Act until a properly constituted Committee, including Independent Directors, is formed.

e) Corporate Social Responsibility (CSR) Committee

As per Section 135(3)(b) & (c) of the Companies Act, 2013, the CSR Committee is responsible for recommending the amount of expenditure to be incurred on specified activities and for monitoring the implementation of the Company's Corporate Social Responsibility (CSR) Policy. However, due to the absence of an Independent Director and certain issues related to AIDQUA, the Company was unable to constitute the CSR Committee.

In the absence of a validly constituted CSR Committee, the Board has assumed responsibility for discharging its functions in compliance with the Act.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In the Absence of the Duly constituted CSR Committee, till the time Duly constituted CSR Committee is formed, in compliance of the Companies Act,2013, The Board of Directors, would recommend and approve: -

a. The policy on Corporate Social Responsibility (CSR) and

b. Implementation of the CSR Projects to be undertaken by the Company as per the

CSR Policy for consideration and approval by the Board of Directors.

Based on the recommendation, the Board has approved spending 2% of average net profits made during the three immediately preceding financial years towards CSR spending for the current FY 2022-23, amounting to Rs. 1,51,39,371/- **towards the promotion of Education and Sanitation in Tirupur**

The amount has been spent during the financial year 2022-23 in the aforesaid activities. The Utilization Certificate from TCMC was received in compliance of the Act.

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

Particulars of Employees

The Company had no employee, who was employed throughout the financial year or part of financial year and was in receipt of remuneration exceeding the limits prescribed under 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 during the year ended 31st March 2023.

Particulars of Contracts, arrangements made with Related Parties

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

The details/disclosure of transactions with related parties during FY 2022-23 are provided in Note of accompanying financial statements.

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

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

Material Changes

Pursuant to Section 134(3)(l) of the Companies Act, 2013, the Board confirms that there have been no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report. Additionally, as per Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, no significant orders have been passed by any Regulators, Courts, or Tribunals that could impact the Company's going concern status or future operations. Furthermore, there have been no changes in the nature of the Company's business during the financial year under review.

Disclosure Requirement Under Section 134 of the Companies Act, 2013

As per Section 134(3) of the Companies Act, 2013, the Board's Report is required to include specific disclosures and additional information. Accordingly, all relevant disclosures have been incorporated at appropriate sections of this Report.

Statement concerning development of Risk Management Policy

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

Fixed deposits

During the year under review, the Company has not accepted any deposits from the public as defined under Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014. The Company remains in compliance with all applicable regulatory requirements concerning the acceptance of deposits.

Non-Convertible Debentures

The company has not issued any Non-Convertible Debentures (NCD) during the year and there was no NCD outstanding as on 31st March, 2023.

Vigil Mechanism/Whistle Blower Policy

In compliance with Section 177(10) of the Companies Act, 2013, and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to establish a Vigil Mechanism to enable directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violations of the Company's code of conduct. The Vigil Mechanism is to be overseen by the Audit Committee.

However, due to the ongoing issue of the absence of Independent Directors, the statutory Audit Committee has not been validly constituted as per Section 177 of the Companies Act, 2013. The absence of Independent Directors is a result of prolonged disagreements with AIDQUA, which has prevented compliance with key statutory provisions, including Sections 135, 149, 177, 178, and 203 of the Act.

Despite these challenges, as a measure of good corporate governance, the Company has implemented a Grievance Redressal Mechanism through its Board as part of its Employee Handbook. This mechanism ensures transparency and accountability in handling grievances until the statutory Vigil Mechanism can be formally established under the oversight of a duly constituted Audit Committee.

The Company remains committed to resolving the issue of appointing Independent Directors at the earliest. Once the statutory committees are properly constituted, the Vigil Mechanism will be formally implemented in accordance with the Companies Act, 2013, and best corporate governance practices.

Cash Flow Statement

As required under the Companies Act,2013, a Cash Flow Statement, prepared in accordance with Indian Accounting Standard 7 (Ind AS-7), is included as part of this report.

Industrial and Personnel Relations

NTADCL continues to ensure an equitable, safe and secure environment for employees to work with dignity and to have healthy employee relations, thereby paving way for better productivity. Since inception, NTADCL is committed to provide the basis for sustainable development by upholding ethical practice and promoting the economic and social aspirations of the people in the surrounding area to maintain cordial and healthy industrial relations that strike a balance between organization's purpose and business needs and the bottom-line work force.

Change in Nature of Business

There has been no change in the nature of business during the financial year under review.

Enhancing Shareholders' Value

Your Company values its stakeholders, including its members, employees, customers, and business partners, recognizing their critical role in its success. The Company is committed to achieving operational excellence, cost efficiency, sustainable growth, and resource optimization while maintaining a strong corporate reputation. Additionally, it strives to create long-term value by ensuring that its business operations contribute positively to economic, social, and environmental development.

Cautionary Statement

Statements in the Board's Report outlining the Company's objectives, expectations, or projections may include forward-looking statements as defined under applicable securities laws and regulations. While these statements are based on reasonable assumptions, the Company cannot guarantee their accuracy or future performance. While these statements are based on reasonable assumptions, actual results may differ due to fluctuations in operational costs, such as power tariffs, infrastructure maintenance, and raw material expenses, as well as variations in demand for industrial and domestic water consumption.

Auditors

(a) Statutory Auditors

M/s Manohar Chowdhry & Associates, Chartered Accountants, Chennai (Firm Registration No.001997S) was appointed as the Statutory Auditors of the Company for the period of 5 years, ie. Till the conclusion of 30th AGM (till the Financial Year 2023-24). However, the Statutory Auditor tendered their resignation from the position of Statutory Auditor of the Company vide their letter dated 20th March 2023.

The Board in its meeting dated 17th April 2023 approved to apply with the Comptroller & Auditor General of India (CAG) for appointing Statutory Auditors for the financial year 2022-23 by invoking its power in pursuance of Section 139 (5) of the Companies Act, 2013 and other relevant applicable provisions.

The company vide letter dated May 19, 2023, approached CAG to appoint the Statutory Auditor for the company for the financial year 2022-23 and subsequently for the financial year 2023-24 as well. Thereafter, the CAG appointed M/s. Venkat & Rangaa LLP, Chartered Accountants, Chennai as the Statutory Auditor of the company vide letter dated 21.09.2024 for the financial years 2022-2025.

(b) Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rules made thereunder, M/s J Singh & Associates., Chartered Accountants, Chennai were appointed as Internal Auditors of the Company for the financial year 2022-23.

(c) Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board had re-appointed M/s V Suresh Associates, Practicing Company Secretaries, to conduct a Secretarial Audit for the financial year 2022-23. The Secretarial Auditor's report for the financial year ended 31st March 2023 is annexed to this Report.

(d) Cost Auditors

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

Response to the Qualification contained in the Auditors Report for the Financial Year 2022-23

Statutory Audit

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

The auditor's report shall also state –

a) Whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;

b) Whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

c) Whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso too that sub-section and the manner in which he has dealt with it in preparing his report;

d) Whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;

e) Whether, in his opinion, the financial statements comply with the accounting standards;

f) The observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;

g) Whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;

h) Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

i) Whether the company has adequate [1]*[internal financial controls with reference of financial statements]* in place and the operating effectiveness of such controls;

j) Such other matters as may be prescribed. Such other matters include,

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

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

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

The Statutory Auditor has placed the Statutory Audit report on the financial statement, Adequacy of internal financial controls and disclosure made pursuant to the direction given under sec. 143(5) of the Companies Act, 2013.

The qualifications made by the statutory Auditor referred at Item No. 6 of the statutory Audit report dated 27th March 2025 pertain to the non-compliance with the provisions of Companies Act, 2013 which has no bearing on a true and fair view of the state of the company's affairs as required under section 143(1) of the Companies Act, 2013. Further, these matters have also been observed by the Secretarial Auditor in their report for the F.Y. 2022-23 .

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

S. No.	Comments / Observations of the Statutory Auditor	Response of the Company
1.	Though the Company has sent letters for confirmation of balances from Banks, term loans, Loans and Advances, Trade payable, Retention Money, Security Deposit, Earnest Money Deposit and Trade Receivables, very few confirmations have been received. The level of response for the confirmations were insignificant. In respect of term loans confirmation was sent only by IDBI for ₹ 8.34 Crores which was confirmed. In the absence of such comprehensive confirmation, the impact, if any, on the carrying value of these items in the financial statements and the consequential impact on the results of the Company for the year under consideration are not presently determinable.	As per standard auditing practices, balance confirmations from banks and financial institutions also form part of the auditor's third-party verification procedures. Despite NTADCL's earnest efforts to obtain such confirmations, the response has been limited, primarily because several of the balances pertain to earlier financial year, i.e. of FY 2022–23. Additionally, there is an ongoing dispute relating to the satisfaction of charges, which is currently sub-judice before the Hon'ble High Court of Madras and under review by the Registrar of Companies, Coimbatore. These factors have contributed to the low response rate from lenders and other parties. Notwithstanding the limited responses received, the management believes that the balances as stated in the financial statements are appropriately reflected and materially accurate based on internal records and reconciliations available with the Company.
2.	The Company on the basis of legal opinion has stopped payment of principal and interest to ILFS Ltd with effect from December 2022. Consequently, interest amounting to ₹ 1,66,66,716 has not been provided in the books of accounts. The Company has represented that ILFS Ltd has been paid ₹ 249.92 Crores in excess on account of illegal deductions and the matter is currently sub judice before NCLT Mumbai and NCLT Chennai. (Refer Note no 36). The amount outstanding as per books as on 31.3.2023 to ILFS is ₹ 114.30 Crores which is continued as final orders on the Claim made on the company is awaited.	The Company, based on legal opinion received from the AG / AAG GoTN and further supported by detailed due diligence carried out by the management, has taken the position that an excess amount of ₹ 249.92 Crores was paid to IL&FS Ltd on account of illegal deductions in earlier periods. This assessment is backed by documentation and findings identified during the internal review and due diligence process. Accordingly, the Company has withheld further payments towards principal and interest to IL&FS Ltd with effect from December 2022. The matter is currently sub-judice before the Hon'ble National Company Law Tribunal (NCLT), Mumbai and NCLT, Chennai. In view of the ongoing litigation and pending adjudication, interest amounting to ₹ 1,66,66,716 has not been provided in the books of accounts for the financial year ended 31st March 2023. The outstanding amount of ₹ 114.30 Crores continues

S. No.	Comments / Observations of the Statutory Auditor	Response of the Company
		to be reflected in the books, subject to the final outcome of the proceedings. The Company will recognize any additional liability or reversal, if required, based on the orders of the competent judicial authorities.
3.	Tirupur City Municipal Corporation has confirmed the balance as on February 2023 only to the extent bills outstanding towards water supply and sewage but the interest outstanding of ₹ 8.20 Crores was not confirmed.	Tirupur City Municipal Corporation (TCMC), a sovereign public body, has requested NTADCL for a waiver of the outstanding interest amounting to ₹ 8.20 Crores. The Board of Directors of the Company has taken note of the request and deferred a decision on the matter pending further deliberations. While TCMC has confirmed the balance pertaining to outstanding bills for water supply and sewage as of February 2023, the interest component has not been acknowledged in their confirmation. The Company continues to engage with TCMC and is pursuing the matter appropriately. Necessary accounting treatment, if any, will be undertaken in due course in accordance with prudent accounting principles and applicable financial reporting standards.
4.	The Company has not identified slow moving, non-moving and obsolete stocks and suitable provision has not been made. We are unable to quantify the extent to which the profits are overstated.	(i) The inventory management typically involves ensuring the availability of essential spare parts, tools, and equipment for continuous operations of plant 24 X 7. Considering this, while budgeting, we are categorizing as A&B. A - Required for routine maintenance activities and B - Spares are procured on need basis only. So, there are no such slow-moving items in our water supply O&M. (ii) on the other hand, non-moving or obsolete inventory is not relevant in our case as the system is well-maintained and regularly updated. The company is meticulously finalizing the annual budget with effective inventory management in water supply O&M to focus on minimizing downtime, reducing wastage and ensuring the availability of critical components.

S. No.	Comments / Observations of the Statutory Auditor	Response of the Company
5.	Material Uncertainty related Going Concern: 1. Corporate Debt Restructuring (Litigated) by a shareholder pending at Hon'ble Supreme court 2. Dispute with Senior Lender regarding the ILFS Ltd Short-Disbursement, pending at NCLT Mumbai and NCLT Chennai	The Company acknowledges the observations regarding material uncertainties related to going concern. In response, the Board submits the following: **1. Corporate Debt Restructuring (CDR):** The CDR mechanism was duly implemented during the financial year 2011-12 with the approval of the erstwhile Company Law Board (CLB) and the Hon'ble High Court of Madras. Since then, the Company, with the continued support of the Government of Tamil Nadu and its lenders, has significantly improved its financial performance and has been consistently reporting profits from FY 2015-16 onwards. All debts owed to lenders and financial institutions, under the CDR package, have been fully prepaid. A shareholder's challenge to the CDR implementation is currently pending before the Hon'ble Supreme Court. However, the CDR has been fully implemented and debts repaid (except for the ongoing matter with IL&FS Ltd. which is separately sub judice). Relevant disclosures have been made under Note No. 36 of the financial statements. **2. Dispute with IL&FS Ltd.:** The dispute regarding short-disbursement and alleged excess payment made to IL&FS Ltd is currently sub-judice before the Hon'ble NCLT, Mumbai and NCLT, Chennai. The Company, based on legal advice and internal due diligence, believes that it has a strong case and relevant disclosures have been provided under Note No. 37 of the financial statements. The Company continues to maintain adequate cash and cash equivalents along with substantial receivables from a sovereign authority. These financial resources are considered sufficient to mitigate any potential impact arising from the outcome of the litigation. Hence, the Board firmly believes that there exists no material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

<table>
<tr><th>S. No.</th><th>Comments / Observations of the Statutory Auditor</th><th>Response of the Company</th></tr>
<tr><td>6.</td><td>Emphasis of Matter including observations Under Companies Act, 2013 as mentioned in the Secretarial Audit Report for the financial year 2022-23</td><td>With respect to the observations made under the Companies Act, 2013, as referred to in the Secretarial Audit Report for the financial year 2022-23, the Board clarifies that detailed responses to each of the observations made by the Secretarial Auditor have been provided in the subsequent section of this Directors’ Report under the heading "Explanation to the observations made in the Secretarial Audit Report."

The Company is of the view that the observations made do not affect the true and fair view of the state of affairs of the Company. The Company has since undertaken necessary corrective actions and is now compliant with the applicable provisions of the Companies Act, 2013, to a large extent. The Company is also making continuous efforts to address the observations highlighted in the Secretarial Audit Report and remains committed to upholding the highest standards of corporate governance.</td></tr>
<tr><td>7.</td><td>Internal Controls Over Financial Reporting (ICFR) - Though internal auditors have been given the scope to evaluate the Internal Controls over financial reporting the report is not comprehensive. We suggest that the Company should do a complete evaluation of internal checks and controls as well as do systems audit to ensure that the objectives of ICFR are met.</td><td rowspan="2">The Company has put in place an adequate internal control system, including checks and balances, an approved procurement policy, and defined payment matrix and procedures for financial reporting. As part of its commitment to continuous improvement, the Company is in the process of developing an enhanced Risk and Control Matrix (RACM) to comprehensively identify, evaluate, and mitigate potential risks. In addition, the Company shall implement Standard Operating Procedures (SOPs), strengthen internal checks and controls, and conduct regular systems audits including testing the effectiveness and integrity of software used by the O&M operator - to ensure alignment with the objectives of Internal Controls over Financial Reporting (ICFR).</td></tr>
<tr><td>8.</td><td>Internal Controls Over Financial Reporting (ICFR) - The Company needs to establish a risk control matrix to evaluate the risks and to mitigate the same.</td></tr>
</table>

S. No.	Comments / Observations of the Statutory Auditor	Response of the Company
9.	Internal Controls Over Financial Reporting (ICFR) - The Billing, collection, spares purchase, issue and inventory are maintained by the O&M operator in his software and the same is entered in the accounting software by the Company. So far, the company has not done a system audit of periodic testing of the effectiveness of the software to test its integrity, any bugs or lapse/ improvement in control systems.	
10.	Internal Controls Over Financial Reporting (ICFR) - The Company needs to establish standard operating procedures, internal checks and controls to improve the effectiveness of its control systems	
11.	Internal Controls Over Financial Reporting (ICFR) - The delay in payment by the customers is charged at 10% but were calculated in excel sheet for the outstanding and billed for customers. The interest calculations for domestic customers have not been automated because the interest rates are not fixed yet and it has undergone many changes in the past. The tanker sales are also not automated and based on Paytm receipts entries were made in the billing software. Both the billing software and accounting software needs to be integrated.	The Company charges interest at the rate of 18% on delayed payments from industrial customers and the calculation of interest on outstanding dues is fully automated within the system. However, for domestic customers (such as TCMC, Wayside Villages, Town Panchayats, etc.), the interest calculation is done manually at 10% due to technical reasons, as interest rates have undergone multiple changes in the past. As part of the Company's continuous improvement process, we will take necessary steps to enhance and automate the calculation of interest for domestic customers and also work towards integrating the billing and accounting software to streamline the overall system and strengthen control processes.
12.	Internal Controls Over Financial Reporting (ICFR) - The cash collection from tanker sales were not deposited into the bank on the next working day several times during the year. However, NTADCL has stopped accepting cash from tanker sales from the next year.	The Company has an established practice of depositing cash collections on the next working day, except in cases where there are holidays, bank strikes, or other factors beyond its control. In such instances, cash is deposited on the next available working day or as soon as possible. As a policy, effective from the financial year 2023-24, the Company has discontinued cash collection for tanker sales and is now accepting payments exclusively through non-cash modes.

Secretarial Audit

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

Sl. No.	Comments / observations of the Secretarial Auditor	Response of the Company
1	There was no Chief Financial Officer (CFO) during the audit period 2022-2023. However, The Company has appointed a Chief Financial Officer (KMP), belatedly by majority pursuant to the Section 203 of the Companies Act, 2013. The CFO has joined the office w.e.f. 15.11.2023.	The Board of Directors, at its meeting held on 31st July 2023, appointed Mr. Girish Kumar N J R V as the Chief Financial Officer (CFO) in compliance with the provisions of Section 203 of the Companies Act, 2013. The appointment was approved by a majority of the Board members, except for the AIDQUA Nominee Director, thereby ensuring adherence to statutory requirements. The Board, in accordance with Section 6 of the Companies Act, 2013—which provides that the provisions of the Act shall prevail over any conflicting provisions in the AOA—proceeded with the appointment to ensure statutory compliance. Mr. Girish Kumar N J R V assumed office as CFO on 15th November 2023.
2	In the Board meeting held on 23rd July,2021 and subsequently in the AGM held on 25.09.2021, the Company appointed a Managing Director (KMP) belatedly by majority, in compliance with Section 203 of the Companies Act, 2013. This appointment was made by giving the precedence to the Act over Articles of Association (AOA) pursuant to the Sec. 6 of the Companies Act,2013.	In compliance with Section 203 of the Companies Act, 2013, and to ensure adherence to statutory requirements, the Board of Directors, in its meeting held on 23rd July 2021, and subsequently, the shareholders in the Annual General Meeting held on 25th September 2021, appointed the Managing Director (Key Managerial Personnel) by majority. The Company has acted in accordance with Section 6 of the Companies Act, 2013, which provides that the Act shall have over-riding effect over any conflicting provisions in the AOA. The appointment of the Managing Director was necessary to comply with statutory requirements and to ensure effective leadership for the Company. The Board remains committed to ensuring full compliance with applicable provisions of the Companies Act, 2013, and maintaining the highest standards of corporate governance.

Sl. No.	Comments / observations of the Secretarial Auditor	Response of the Company
3	The Company has to appoint two Independent Directors to comply with Section 149 of the Companies Act, 2013.	As per Article 120 of the Articles of Association of NTADCL, which was prepared and adopted by the shareholders based on the agreement at that time and is now sub judice before the NCLT Chennai, the total number of Directors on the Board should be 14. Further, as per Article 124, the Board must include two Independent Directors who are not connected with any shareholder. With the enactment of the Companies Act, 2013, Section 149(4), read with Rule 4(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, mandates that the Company must have at least two Independent Directors. Additionally, to comply with Sections 135, 177, and 178 of the Act, the appointment of Independent Directors is essential, as they serve as Chairpersons of various statutory committees. Since 2007, multiple attempts have been made to appoint Independent Directors; however, these were not accepted on multiple occasions by the nominee Director of AIDQUA due to disagreements. The appointment of Mr. P. Shankar, IAS, was made in the Board meeting held on 23.10.2007, and he continued in office until 12.03.2010. After a gap of five years, in 2015, the Company appointed Mr. G. A. Rajkumar and Mrs. Latha Ramanathan as Independent Directors in the Board meeting held on 26.06.2015, for a period of two years. However, Mr. G. A. Rajkumar resigned on 11.08.2015, and Mrs. Latha Ramanathan continued in office until 25.09.2017. Despite repeated efforts thereafter, the appointment of Independent Directors could not be materialized. In 2016, AIDQUA filed Interlocutory Application No. 11/2016 in SLP No. 11694 of 2014 (CA 6857 of 2018) before the Hon'ble Supreme Court. The Supreme Court disposed of the application as infructuous while observing by a passing of comment, that the Board, in appointing two Independent Directors not connected with any shareholder, must act in accordance with the law and Articles of Association, particularly Article 124.
4	The Company has not constituted Audit Committee (Section 177), Nomination & Remuneration Committee (Sec 178) and Corporate Social Responsibility	The Board has actively taken up the matter in its meetings held on 17.12.2021, 17.03.2023, and 24.06.2023, and efforts were made to reach a consensus on appointing Independent Directors.

Sl. No.	Comments / observations of the Secretarial Auditor	Response of the Company
	Committee (Sec 135) in accordance with the provisions of the Companies Act, 2013. The company has not established the Vigil Mechanism Policy as required under the Section 177 read along with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and not conducted the Independent Directors Meeting as required under Section 149 and Schedule IV of the Act. Further, the Company has not carried out the Director's Evaluation as required under Section 134 of the said Act.	Five names were suggested by the Board, and two names were suggested by AIDQUA. However, the nominee Director of AIDQUA did not consent to any of the names proposed, resulting in continued non-compliance with statutory provisions. The persistent objections from AIDQUA's nominee Director have led to non-compliance with key provisions of the Companies Act, 2013, including Sections 135, 149, 177, 178, and 203. Considering the statutory obligations, the management has communicated to the Government of Tamil Nadu (GoTN) to write to the Registrar of Companies (ROC) to declare the nominee Director of AIDQUA as an "Officer in Default" under Section 2(60)(vi) of the Companies Act, 2013, for non-compliance with the above-mentioned provisions. A legal opinion obtained from the Additional Government Pleader confirms that the constitution of statutory committees—such as the Audit Committee, Nomination & Remuneration Committee, and Corporate Social Responsibility (CSR) Committee—without Independent Directors would amount to a direct and irreconcilable violation of the Companies Act, 2013. Despite these challenges, the Company remains committed to resolving this issue through consensus and is also exploring alternative legal and regulatory courses of action to ensure the appointment of Independent Directors at the earliest. Once the Independent Directors are appointed and the statutory committees are duly constituted, the Company will undertake a formal evaluation of Directors in compliance with the provisions of the Companies Act, 2013, and applicable governance best practices. The evaluation process will be conducted as per the established performance evaluation framework, ensuring compliance with Section 178 and related rules. Further, in compliance with Section 177(10) of the Companies Act, 2013, the Company will frame a Vigil Mechanism, which will be overseen by the Audit Committee, as mandated under Rule 7 of the Companies (Meetings of Board

Sl. No.	Comments / observations of the Secretarial Auditor	Response of the Company
		and its Powers) Rules, 2014. Since NTADCL is required to have an Audit Committee under the Act, the Vigil Mechanism shall be placed under its supervision once the committee is properly constituted with Independent Directors. However, in the interim, as a best corporate governance practice, the Company has already approved and adopted a Grievance Redressal Mechanism through its Board as part of its Employee Handbook, ensuring transparency and accountability in handling grievances. NTADCL remains committed to upholding corporate governance standards and statutory compliance and will continue its efforts to ensure adherence to the Companies Act, 2013, in both letter and spirit.
5	The Company has appointed a Company Secretary within six months i.e. on 20.12.2022 under Section 203 of the Companies Act, 2013 but he joined the Company w.e.f. 28.02.2023	In compliance with Section 203 of the Companies Act, 2013, the Board of Directors appointed a Company Secretary on 20th December 2022, within the prescribed six-month period. While the appointed Company Secretary assumed office and commenced duties effective from 28th February 2023, confirmation of acceptance of the appointment was duly received within the statutory period of 180 days, in accordance with Section 203(4) of the Act. The Company has taken all necessary steps to ensure compliance with statutory requirements and remains committed to maintaining strong corporate governance practices.
6	The Financial Statements and Boards Report has not been approved within prescribed time line under Section 134 & 137 of the Companies Act, 2013.	The Company submitted an application on 19.05.2023 to the Comptroller and Auditor General of India (CAG) under Section 139(5) of the Companies Act, 2013, for the appointment of a Statutory Auditor. Pursuant to this, the CAG appointed M/s Venkat & Rangaa LLP, Chartered Accountants, as the Statutory Auditor for the financial years 2022-23 to 2024-25 on 21.09.2024. The audit for the financial year 2022-23 has been completed, and upon approval of the Financial Statements as of 31st March 2023, along with the Auditor's Report, Secretarial Audit Report, and Board's Report, the Company will ensure timely compliance with the filing requirements under Sections 134 and 137 of the Companies Act, 2013, within the prescribed statutory timelines.

Secretarial Standards Compliances

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, (ICSI), New Delhi under Section 118 of the Companies Act, 2013.

Annual Return

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

Particulars of Loans, Guarantees or Investments

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

Directors' responsibility statement

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

a) in the preparation of the annual accounts for the year ended 31st March 2023, the applicable Indian Accounting Standards (IND As) had been followed along with proper explanation relating to material departures, if any.

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the company being unlisted, sub-clause (e) of Section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Adequacy of Internal Financial Control with reference to financial statements (Rule 8(5) (viii) of the Companies (Accounts) Rules, 2014

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

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

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

Maintenance of Cost Records as required under sub-section (i) of Section 148 of The Companies Act, 2013 (Rule 8(5)(ix) of Companies (Accounts) Rules, 2014

Not applicable

Certificate pursuant to clause 11.7.2 of the shareholders' agreement

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

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

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

Acknowledgement:

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

For and on behalf of the Board

S/d-

Place : Chennai
Dated : 27.03.2025

DR.D. KARTHIKEYAN
CHAIRMAN
(DIN: 02259481)

"Annexure A" to the Board's Report

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

a. Conservation of Energy FY22-23

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

In Booster pumping station one major pump capital refurbishment was carried out and efficiency improved, resulting in energy cost savings of about Rs. 4.65 Lakhs / Annum.

In WTP, existing 250W, 150 W sodium vapor fixtures were replaced by energy efficient LED - 90W & 70W light fixtures respectively and the energy cost savings is about Rs.1.35 Lakhs/annum.

In WDS-15, VFD (variable frequency drive) was introduced and speed control was established with reference to the demand to maintain adequate discharge and pressure in pumping mains. Specific power consumption was reduced from 502 KWH/ML to 415 KWH/ML and cost savings of about Rs. 7 Lakhs/annum.

In WTP & BPS, Private power purchased through IEX (**Indian Energy Exchange** / TATA Power Ltd) and energy cost saving of Rs.157 Lakhs achieved for FY 22-23.

Proposed Action: 2023-24:

In this FY2023-24, we have planned to take up the below Capex energy improvement programs:

i. Capital refurbishment of Booster pump (1 no) and Raw water intake pump (1 no)

ii. Private Power Purchase for MBR through IEX to minimize the energy cost

iii. Implementing closed loop speed control for WDS-26

iv. Providing bypass arrangement for WTP Chlorine booster & service water pumps

v. Phasing out of Conventional light fixtures with LED light fixtures

b. Technology Absorption

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

c. Foreign Exchange Earnings and Outgo

a. Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans - Not applicable to the line of business

b. Total foreign exchange used and earned: NIL

For and on behalf of the Board

S/d-

Place : Chennai
Dated : 27.03.2025

DR.D. KARTHIKEYAN
CHAIRMAN
(DIN: 02259481)

"Annexure B" to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year 2022-23

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

To,
The Members,
M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

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

Based on our verification of **M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

("the Company") for the financial year ended on 31st March 2023 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(NOT APPLICABLE)**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(NOT APPLICABLE)**

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(NOT APPLICABLE)**

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(NOT APPLICABLE)**

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(NOT APPLICABLE)**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(NOT APPLICABLE)**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(NOT APPLICABLE)**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(NOT APPLICABLE)**

We have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company. **(NOT APPLICABLE)**

We further report that the Board of Directors of the Company is constituted with Executive and Non- Executive Directors only. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Observations under the Companies Act, 2013

1. There was no Chief Financial Officer (CFO) during the audit period 2022-2023. However, The Company has appointed a Chief Financial Officer (KMP), belatedly by majority pursuant to the Section 203 of the Companies Act, 2013. The CFO has joined the office w.e.f. 15.11.2023.

2. In the Board meeting held on 23rd July,2021 and subsequently in the AGM held on 25.09.2021, the Company appointed a Managing Director (KMP) belatedly by majority, in compliance with Section 203 of the Companies Act, 2013. This appointment was made by giving the precedence to the Act over Articles of Association (AOA) pursuant to the Sec. 6 of the Companies Act,2013. As per the AOA, this appointment falls under the category of an AIDQUA Reserved Matter; however, consent from AIDQUA has not been accorded to date.

3. The Company has to appoint two Independent Directors to comply with Section 149 of the Companies Act, 2013.

4. The Company has not constituted Audit Committee (Section 177), Nomination & Remuneration Committee (Sec 178) and Corporate Social Responsibility Committee (Sec 135) in accordance with the provisions of the Companies Act, 2013. The company has not established the Vigil Mechanism Policy as required under the Section 177 read along with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and not conducted the Independent Directors Meeting as required under Section 149 and Schedule IV of the Act. Further, the Company has not carried out the Director's Evaluation as required under Section 134 of the said Act.

5. The Company has appointed a Company Secretary within six months i.e. on 20.12.2022 under Section 203 of the Companies Act, 2013 but he joined the Company w.e.f. 28.02.2023.

6. The Financial Statements and Boards Report has not been approved within

prescribed time line under Section 134 & 137 of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

For **V Suresh Associates**
Practising Company Secretaries

sd/-
Udaya Kumar K R
Partner
FCS No. 11533
C.P.No. 21973
Peer Review Cert. No. : 6366/2025
UDIN: F011533F004148358

Place : Chennai
Date : 25.03.2025

Annexure to Secretarial Audit Report

To,

The Members

M/s. NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V Suresh Associates**
Practising Company Secretaries

sd/-
Udaya Kumar K R
Partner
FCS No. 11533
C.P.No. 21973
Peer Review Cert. No. : 6366/2025
UDIN: F011533F004148358

Place : Chennai
Date : 25.03.2025

"Annexure C" to the Board's Report

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

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

For and on behalf of the Board

S/d-

Dr. **D. KARTHIKEYAN**

CHAIRMAN

(DIN : 02259481)

Place : Chennai

Dated : 27.03.2025

"Annexure D" to the Board's Report

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

1. Brief outline on CSR Policy of the Company:

   The Policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs in activities covered under Schedule VII of the Companies Act, 2013. The Company's CSR Policy has been uploaded in the weblink: https://ntadcl.com/investor

2. Composition of CSR Committee: The Company has not been able to constitute the CSR Committee due to ongoing disagreements and lack of acceptance by the AIDQUA Nominee Director regarding the appointment of an Independent Director. The Board has been discharging the functions of the CSR Committee in accordance with the Companies Act, 2013, until the proper constitution of the CSR Committee with Independent Directors, in compliance with Section 135 of the Act.

   The Board, in its meeting held on 20.12.2022, deliberated on CSR matters in the absence of a duly constituted CSR Committee. Post this, CSR matters were considered directly by the Board in its meetings.

   Continuous Efforts are being made to appoint an Independent Director at the earliest.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company https://ntadcl.com/investor

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

   Not applicable

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

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

6.	Average net profit of the company as per section 135(5)	
7.	(a) Two percent of average net profit of the company as per section 135(5)	Rs.1.51 crore
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(c) Amount required to be set off for the financial year, if any	Nil
	(d) Total CSR obligation for the financial year (7a+7b- 7c).	Rs.1.51 crores

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

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

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amt spent in the current financial Year (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency
				State	District			Name	CSR Registration number
1	Promotion of education and sanitation	(i) (ii)	Yes	Tamil-Nadu	Tiruppur	151.39	No	Tiruppur City Municipal Corporation	CSR00024710
	Total		151.39						

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Rs.1.51 crores

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in crores)
(i)	Two per cent of average net profit of the company as per section 135(5)	1.51
(ii)	Total amount spent for the Financial Year	1.51
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	--

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

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

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

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

For and on behalf of the Board

S/d-

Place : Chennai

Dated : 27.03.2025

Dr. D. KARTHIKEYAN

CHAIRMAN

(DIN : 02259481)

INDEPENDENT AUDITOR'S REPORT REVISED

To the Members of New Tirupur Area Development Corporation Limited

This report supersedes the earlier audit report for the year ending 31st March 2023 dated 27.3.2025 consequent to corrections in the financials on the basis of observations of Comptroller and Auditor General of India.

The Changes relate to classification of bank fixed deposits in previous year cash flow and clerical errors in the notes to accounts. However, there are no changes in the Profit and Loss account and Balance sheet figures for the current year or in the previous year.

Our audit opinion is not modified on account of above changes

Report on the Audit of the Standalone Ind AS financial statements

Qualified Opinion

We have audited the Ind AS financial statements of New Tirupur Area Development Corporation Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Basis for Qualified Opinion section of our report, aforesaid standalone financial statements give information required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, of its Profit, and the cash flows for the year then ended.

Basis for Qualified Opinion

1. Though the Company has sent letters for confirmation of balances from Banks, term loans, Loans and Advances, Trade payable, Retention Money, Security Deposit, Earnest Money Deposit and Trade Receivables, very few confirmations have been received. The level of response for the confirmations were insignificant. In respect of term loans confirmation was sent only to IDBI for Rs 8.34 Crores which was confirmed. In the absence of such comprehensive confirmation, the impact, if any, on the carrying value of these items in the financial statements and the consequential impact on the results of the Company for the year under consideration are not presently determinable.

2. The Company on the basis of legal opinion has stopped payment of principal and interest to ILFS Ltd with effect from December 2022. Consequently, interest amounting to Rs 1,66,66,716 has not been provided in the books of accounts. The Company has made a representation that ILFS Ltd has been paid Rs 249.92 Crores in excess on account of illegal deductions and the matter is currently sub judice before NCLT Mumbai and NCLT Chennai.(Refer Note no 36). The amount outstanding as per books as on 31.3.2023 to ILFS is Rs 114.30 Crores which is continued as final orders on the Claim made on the company is awaited.

3. Tirupur City Municipal Corporation has confirmed the balance as on February

2023 only to the extent bills outstanding towards water supply and sewage but the interest outstanding of Rs 8.20 Crores was not confirmed.

4. The Company has not identified slow moving, non-moving and obsolete stocks and suitable provision has not been made. We are unable to quantify the extent to which the profits are overstated.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Material Uncertainty related to Going Concern

We draw attention to Note 35 of the financial statements which indicates that the Corporate Debt restructuring (CDR) undertaken by the company during the financial year 2011-12 has been litigated by a shareholder in Hon'ble Supreme court, which is pending for adjudication as on the date of this report. A material uncertainty regarding the outcome of litigation where in an adverse decision could result in a significant outflow of resources for the company which may cast significant doubt on company's ability to continue as going concern in the future.

There is a dispute with the lender ILFS Ltd regarding the short disbursement due to levy of charges by ILFS and the subsequent payments of interest and principal. ILFS Ltd is under IBC with NCLT Mumbai and the company has made a counter claim of Rs 249.92 Crores as payment made in excess. The Company has stopped repayment of principal and interest from December 2022 and has not provided interest amounting to Rs 1.67 Crores during the year due to the dispute. The matter is pending with NCLT Mumbai and NCLT Chennai. A material uncertainty regarding the outcome of litigation where in an adverse decision could result in a significant outflow of resources for the company which may cast significant doubt on company's ability to continue as going concern in the future.

As per the Internal Auditor report the financials of the Company were adversely affected as the offtake by Industrial Customers was only 42% of originally envisaged sales. Sewage treatment charges are only to the extent of cost of operation of around 21.68 per KL without considering expenses like depreciation and repairs not forming part of O&M charges of MWUL.

Internal auditor has also commented that the price on domestic water supply and sewage and industrial water supplies has not been revised since 2019.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

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

1. Note No 36 with regard to AIDQUA petition CA No 32 of 2010 for recovery of non-tenable deductions from IL & FS and further has filed another claim based on legal opinion obtained regarding non tenable deductions along with interest thereon vide CA No 3638 of 2018 and which is pending as on this date.

2. Note No 39 with regard to share application money received which is pending for allotment. The Government of Tamil Nãdu has filed an application before the NCLT for increasing the Authorised Share Capital of the Company for enabling the Company to issue the shares to the Government of Tamil Nadu. The matter is pending before the NCLT. The Company has repaid the amount of Rs 2.28 Crores along with amount to Government of Tamilnadu on 31.3.2023.

3. The Company has been making profits for past few years but Deferred tax asset was not provided in the books till 31.3.2022. The major part of the carry forward losses is unabsorbed depreciation which is being adjusted out of the current year profits in the past three years and the unabsorbed depreciation as on 31.3.2023 is Rs 547.76 crores and 31.3.2022 is Rs 688.47 crores as per the Income Tax Returns filed. The DTA of Rs 33.50 crores is provided in the current year financials (Previous year NIL).

4. The Company to meet the Income tax due date has filed Form 3CB audited by a Chartered accountant and filed financials signed by only MD and the CS. In view of the variation in the figures between the audited financials and the financials filed with the Income tax department, revised return needs to be filed

5. The Company has paid all loans to secured creditors except ILFS Ltd during the year but the lenders have refused to file satisfaction of Charge as the Right to Recompense amounting to Rs 69.83 Crores. NTADCL filed an application with ROC Coimbatore to record the satisfaction of charge, as IDBI Trustee has not issued a No Dues Certificate or released the charge despite the prepayment of the loan. The ROC, however, passed an order stating that since the lenders have not issued the No Dues Certificate due to their claim of pending ROR and other fees from NTADCL (despite the company having fully repaid the term loan), the satisfaction of charge could not be recorded at this stage. Aggrieved by this order, NTADCL has filed a writ petition before the High Court of Madras, contending that ROC Coimbatore passed the order without considering the evidence and submissions provided by the company.

6. The Company has disputed the method of calculation of ROR with Rs 69.83 Crores and has submitted it calculation wherein the ROR is Rs (16.97 Crores) and hence no ROR is payable.

7. A case was filed against AIDQUA and the suspected Significant Beneficial Owners (SBOs) who, as per NTADCL's findings, were required to disclose their SBO status under Section 90(1) of the Companies Act, 2013.

   Based on NTADCL's submissions, NCLT Chennai passed an order stating that AIDQUA had not made the proper disclosures, and the other reliefs sought in the petition would be considered pending the decision of the Hon'ble Supreme Court. NTADCL has filed an appeal before NCLAT Chennai challenging the second part of the order, seeking relief that all rights attached AIDQUA shares should be suspended in accordance with Section 90 of the Companies Act, 2013, and the applicable Rules. The matter is currently sub judice at NCLAT Chennai.

8. The Company has obtained a Secretarial Audit Report in Form No. MR -3 from Practising Company Secretaries who have made the following observations in their report

Observations under the Companies Act, 2013

1. There was no Chief Financial Officer (CFO) during the audit period 2022-2023. However, The Company has appointed a Chief Financial Officer (KMP), belatedly by majority pursuant to the Section 203 of the Companies Act, 2013. The CFO has joined the office w.e.f. 15.11.2023.

2. In the Board meeting held on 23rd July,2021 and subsequently in the AGM held on 25.09.2021, the Company appointed a Managing Director (KMP) belatedly by majority, in compliance with Section 203 of the Companies Act, 2013. This appointment was made by giving the precedence to the Act over Articles of Association (AOA) pursuant to the Sec. 6 of the Companies Act,2013.

3. The Company has to appoint two Independent Directors to comply with Section 149 of the Companies Act, 2013.

4. The Company has not constituted Audit Committee (Section 177), Nomination & Remuneration Committee (Sec 178) and Corporate Social Responsibility Committee (Sec 135) in accordance with the provisions of the Companies Act, 2013. The company has not established the Vigil Mechanism Policy as required under the Section 177 read along with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and not conducted the Independent Directors Meeting as required under Section 149 and Schedule IV of the Act. Further, the Company has not carried out the Director's Evaluation as required under Section 134 of the said Act.

5. The Company has appointed a Company Secretary within six months i.e. on 20.12.2022 under Section 203 of the Companies Act, 2013 but he joined the Company w.e.f. 28.02.2023.

6. The Financial Statements and Boards Report has not been approved within prescribed time line under Section 134 & 137 of the Companies Act, 2013.

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

The Company's Board of Directors is responsible for the preparation of the other information.

The other information comprises the information included in the Director's Report including Annexures to Director's report and Responsibility Report, but does not include the financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this Auditor's report.

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

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

On receipt of Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall,

a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statement

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

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and Cash Flow Statement dealt with by this Report except for the possible effects of the matter described in the Basis for Qualified Opinion, paragraphs above are in agreement with the books of account.

   d) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

   e) *The matter described in the "Material Uncertainty related to Going Concern" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*

   f) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, based on the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 197 relating to remuneration to directors shall not apply as per MCA Notification dt.05-06-2015.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2016, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 42 to the Ind AS financial statements.

      ii) The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor

Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

iv) a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The company has not declared or paid any dividend during the year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Venkat and Rangaa LLP
Chartered Accountants
FRN : 004597S

sd/-
S Manisekaran
Partner
Membership No.026400
UDIN: 25026400BMMNBA3919

Place : Chennai
Date : 08.10.2025

Annexure A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the Company on the financial statements for the year ended March 31, 2023, we report that:

1. a) (A) In our opinion, according to the information and explanation provided to us, the Company has maintained records in soft copies, showing the particulars, including quantitative details and situation of Property, Plant and Equipment.

   (B) The Company does not have any intangible assets according to the information and explanations given to us. Accordingly, the requirement to report on Clause 3(i)a(a)(B) of the Order is not applicable to the Company.

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

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

   (i)(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of time. In accordance with the program, the fixed assets have been verified during the year end and no material discrepancies were noticed on such verification.

   c) In our opinion and according to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

   d) In our Opinion and according to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023

   e) In our Opinion and according to the information and explanation given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

2. a) According to the information and explanation provided by the Company (i)(a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

   b) The Company has not been sanctioned working capital limits in excess of Rs Five Crores in aggregate from banks and financial institutions during the year. Accordingly, reporting on Clause 2(ii)b of the Order is not applicable to the Company.

3. During the year, the Company has not made investments in, provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other

parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore paragraph 3 (iii) (a), (b), (c), (d), (e) and (f) of the order is not applicable

4. In our Opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the companies act, 2013 in respect of Loans, Investments, Guarantee and securities during the Current Financial Year.

5. In our Opinion and according to the information and explanation given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company

6. In our Opinion and according to the information and explanation given to us, the Maintenance of Cost Records as specified under Sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company for the Current Financial Year.

7. a) Based on our audit procedures performed and the information and the explanation provided to us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, 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 there are no undisputed statutory dues that are pending for a period exceeding six months as at the last day of the Financial Year from the date they become payable except

Name of the Statute	Nature of Dues	Amount Rs	Period to which amount relates	Due Date	Date of Payment
The Water (Preventions and Control of Pollution) Cess Act, 1977	Water Cess	Rs 9,56,36,949	Assesment year 2005-06 to 2014-15	As and when incurred	No payment made during the year

b) Based on the information and explanation provided to us, there are no dues of Income Tax, Service Tax, Sales Tax, wealth Tax, Duty if Customs or Duty of Excise, value added Tax on account of dispute except the following

Name of the Statute	Nature of Dues	Amount Rs	Period to which amount relates	Forum where dispute is pending	Remarks
Income tax Act 1961	Income tax	67,01,172	AY 2018-19	Consequential order to be passed by the Assesing officer	CIT (Appeals) has accepted the claim of the Company
Income tax Act 1961	Income tax	1,46,71,585	AY 2021-22	Consequential order to be passed by the Assesing officer	CIT (Appeals) has accepted the claim of the Company
Income tax Act 1961	Income tax	55,09,007	AY 2022-23	CIT (Appeals)	

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

9. a) *The Company has stopped repayment of Instalments of Principal and Interest to ILFS Ltd from December 2022 based two legal opinions. Please refer note no 3 of Basis for qualifies opinion in the main report above.*

   b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

   c) As per the information and explanations provided by the company Term loans were applied for the purpose for which the loans were obtained

   d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

   e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

   f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

10. (a) In our Opinion and according to the information and explanation given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

    (b) In our Opinion and according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company

11. (a) No fraud by the Company or no fraud on the Company has been noticed or reported for the transactions entered into during the year.

    However the Company has found that during the disbursement of original loans during 2002 ILFS has deducted amounts to various charges and made Short disbursement. The Company has filed petitions before NCLT Mumbai 30.03.2024 Vide Company Petition no 52/2024 that ILFS in connivance with the then Management had accepted the short disbursement from ILFS representing Fees, forex loss and other charges which resulted in inflating the Term Loan liability and excess payment of Rs 249.92 Crores to ILFS. The matter is sub judice.

    (b) During the year, no report under Sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) (a), (b) and (c) of the Order is not applicable

13. In our opinion and according to the information and explanation provided by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the standalone financial statement as required by the applicable Indian Accounting Standard.

14. a) The Company has carried out internal audit by appointing external internal auditors. The internal audit is commensurate with the nature and size of its business.

(b) The report of the Internal Auditors for the period under audit has been considered by the statutory auditors. *The lapses of internal controls reported by the internal auditors are reported in Annexure B to the Independent Auditors Report. It is suggested that the company should review the internal audit report and rectify the discrepancies raised.*

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

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

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) The Group does not have any Registered Core Investment Companies.

17. In our Opinion and according to the information and explanation given to us, the Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively

18. There has been resignation of the statutory auditors during the financial year and we have taken into consideration the issues, objection or concerns raised by the outgoing auditors and the report incorporates the same.

19. On the basis of the financial ratios disclosed in Note 35 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of

the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 28 to the financial statements

(b) There are no ongoing projects and hence the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company the company has not accepted any deposits during the Year and hence the directives issued by the Reserve bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the Public is not applicable.

For Venkat and Rangaa LLP
Chartered Accountants
FRN : 004597S

sd/-
S Manisekaran
Partner
Membership No.026400
UDIN: 25026400BMMNBA3919

Place : Chennai
Date : 08.10.2025

Annexure B

Annexure to the Independent Auditor's Report of even date on the Financial Statement of New Tirupur Area Development Corporation Limited

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **New Tirupur Area Development Corporation Limited** ["the Company"] as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of the internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and the operating effectiveness of the internal control based on the assessed risk. The risk procedures selected depend upon the auditor's judgment including the assessment of the risk of material misstatement of the standalone financial statements whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

In our opinion, subject to the qualifications listed below, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI. Basis for our opinion is as follows:

1. *Though internal auditors have been given the scope to evaluate the Internal Controls over financial reporting the report is not comprehensive. We suggest that the Company should do a complete evaluation of internal checks and controls as well as do systems audit to ensure that the objectives of ICFR are met.*
2. The Company needs to establish a risk control matrix to evaluate the risks and to mitigate the same.
3. The Billing, collection, spares purchase, issue and inventory are maintained by the O&M operator in his software and the same is entered in the accounting software by the Company. So far, the company has not done a system audit of periodic testing of the effectiveness of the software to test its integrity, any bugs or lapse/improvement in control systems.

4. *The delay in payment by the customers is charged at 10% but were calculated in excel sheet for the outstanding and billed for customers. The interest calculations for domestic customers have not been automated because the interest rates are not fixed yet and it has undergone many changes in the past. The tanker sales are also not automated and based on Paytm receipts entries were made in the billing software. Both the billing software and accounting software needs to be integrated.*

5. *The cash collection from tanker sales were not deposited into the bank on the next working day several times during the year. However, NTADCL has stopped accepting cash from tanker sales from the next year.*

6. *The Company needs to establish standard operating procedures, internal checks and controls to improve the effectiveness of its control systems.*

For Venkat and Rangaa LLP
Chartered Accountants
FRN : 004597S

sd/-
S Manisekaran
Partner
Membership No.026400
UDIN: 25026400BMMNBA3919

Place : Chennai
Date : 08.10.2025

ANNEXURE C – DIRECTIONS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013

1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has not processing any transaction through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	There is no such restructuring in FY 2022-23, however, the Company went CDR in FY 2011-12 due to poor financial position. NTADCL has paid all its debts in the current year, except ILFS loan which is under sub-judice.
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No funds/ grants/subsidy received from Government/ agencies.

ANNEXURE D – SUB-DIRECTIONS UNDER SECTION 143 (5) OF THE COMPANIES ACT, 2013

1	Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it? Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.	NA
2	Whether system for monitoring the execution of works vis-à-vis the milestone stipulated in the agreement is in existence and the impact of cost escalation, if any revenues/losses from contracts etc., have been properly accounted for in the books?	NA
3	Whether funds received for specific schemes from Central/State agencies were properly accounted for/ utilized? List the cases of deviation.	In FY 2022-23, no funds received from Central / State agencies.
4	Whether the bank guarantees have been revalidated in time?	Yes, the bank guarantee has been renewed /revalidated in time.
5	The cost incurred on abandoned projects may be quantified and the amount actually written off shall be mentioned.	No such incident in FY 2022-23.

Balance Sheet as at March 31, 2023

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

Particulars	Note	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	3	41,471.31	44,509.73
Capital work in progress	3	58.00	-
Right of use assets	4	94.14	170.22
Financial assets			
(i) Security deposits	5	25.02	26.55
(ii) Other Financial assets	6	83.07	21.07
Deferred tax asset(Net)	7	3,350.06	-
Other Non-Current assets	8	984.91	825.38
Current Assets			
Inventories	9	338.29	323.89
Financial Assets			
(i) Trade Receivables	10	9,730.04	11,862.04
(ii) Cash & Cash Equivalents	11	1,501.69	833.21
(iii) Bank balances other than (ii) above	12	18.97	18.14
(iv) Other Financial Assets	13	8,412.50	107.39
Current Tax Asset	14	-	-
Other current assets	15	301.48	397.72
Total assets		**66,369.50**	**59,095.36**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	60,000.00	60,000.00
Other Equity	17	(10,354.43)	(23,988.64)
Total Equity		**49,645.57**	**36,011.36**
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	18	12,597.05	19,058.69
(ia) Lease liability	19	63.45	136.09
Long-term Provisions	20	45.93	43.94
Current liabilities			
Financial liabilities			
(i) Borrowings	21	983.37	1,443.27
(ia) Lease Liability	22	43.00	54.55
(ii) Trade Payables	23		
Dues to Micro and Small Enterprises		27.96	27.60
Dues to Creditors other than Micro and Small Enterprises		1,323.45	281.15
(iii) Other Current Financial Liabilities	24	339.95	747.49
Short-term Provisions	25	64.94	45.37
Other Current Liabilities	26	1,234.82	1,245.85
Total liabilities		**16,723.92**	**23,083.99**
Total Equity and liabilities		**66,369.50**	**59,095.36**

Summary of significant accounting policies 1&2

The accompanying notes form an integral part of this financial statements

As per our report of even date
For Venkat and Rangaa LLP
Chartered Accountants
Firm Regn No. 004597S

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED
CIN: U91990TZ1995PLC005869

S Manisekaran
Partner
Membership No.026400

Dr. D. Karthikeyan
Chairman
DIN-02259481

Hanish Chhabra
Managing Director
DIN-06798704

Girish Kumar NJRV
Chief Financial Officer
Membership No.M27086

Saurabh Misra
Company Secretary
Membership No.A25150

Place : Chennai
Date : 08.10.2025

Statement of Profit and Loss for the year ended March 31, 2023

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

Particulars	Note	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Income			
Revenue From operations	27	23,184.23	22,656.03
Other Income	28	1,378.39	(2,846.65)
Total Revenue		**24,562.62**	**19,809.38**
Expenses			
Cost of Materials Consumed	29	8,425.75	8,089.66
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	30	(2.90)	0.87
Employee Benefits Expenses	31	291.92	372.42
Finance Costs	32	1,422.80	2,389.57
Depreciation and Amortisation Expense	3 & 4	3,163.60	3,153.88
Other Expenses	33	998.57	756.21
Total Expense		**14,299.75**	**14,762.62**
Profit Before Tax		**10,262.87**	**5,046.76**
Income Tax Expense			
- Current Tax		-	-
- Deferred Tax		(3,350.06)	-
Total tax expense		**(3,350.06)**	**-**
Profit for the year		**13,612.94**	**5,046.76**
Other Comprehensive Income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains and (losses) on defined benefit obligations (net)		16.20	-
Income tax impact		-	-
Other comprehensive profit for the year		**16.20**	**-**
Total comprehensive Income for the year		**13,629.14**	**5,046.76**
Earnings per share			
- Basic earnings per share		2.27	0.84
- Diluted earnings per share		1.94	0.72

Summary of significant accounting policies 1&2

The accompanying notes form an integral part of this financial statements

As per our report of even date
For Venkat and Rangaa LLP
Chartered Accountants
Firm Regn No. 004597S

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED
CIN: U91990TZ1995PLC005869

S Manisekaran
Partner
Membership No.026400

Dr. D. Karthikeyan
Chairman
DIN-02259481

Hanish Chhabra
Managing Director
DIN-06798704

Girish Kumar NJRV
Chief Financial Officer
Membership No.M27086

Saurabh Misra
Company Secretary
Membership No.A25150

Place : Chennai
Date : 08.10.2025

Cash flow statement for the year ended March 31, 2023

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

Particulars	Notes	As at 31-Mar-2023	As at 31-Mar-2022
A. Cash flow from operating activities			
Profit for the year		10,279.08	5,046.46
Adjustments to reconcile net profit to net cash provided by Operating activities:			
Depreciation and amortisation expense		3,163.60	3,153.88
Non cash adjustment		5.07	(0.14)
Interest Expenses		1,423	2,389.57
Interest Income		(291.91)	(48.53)
Operating profit before working capital changes		**14,578.64**	**10,541.23**
Movements in working capital :			
Decrease/(Increase) in trade receivables		2,132.00	(1,357.26)
(Increase)/Decrease in financial assets		(8,365.58)	43.78
Decrease/(Increase) in other assets		(114.75)	48.53
Decrease/(Increase) in other assets		(14.39)	(41.81)
Increase/(Decrease) in trade payables		1,042.67	(73.06)
Increase/(Decrease) in provisions		21.55	11.29
(Decrease)/Increase in other financial liabilities		(407.53)	(25.50)
Increase/(Decrease) in other liabilities		(11.02)	318.51
Cash generated from in operating activities		**8,861.57**	**9,465.71**
Income taxes received / (paid) (net of refunds)		51.46	22.16
Net cash generated from in operating activities	**A**	**8,913.03**	**9,487.87**
B. Cash flow from investing activities			
Purchase of PPE and capital work in progress (including capital advances)		(107.10)	(2.95)
Interest Income		291.91	14.62
Margin Money Deposits		(0.83)	(18.14)
Net cash from / (used in) investing activities	**B**	**183.98**	**(6.47)**
C. Cash flow from financing activities			
Repayment of borrowings		(6,921.54)	(8,456.24)
Interest Expenses		(1,422.80)	(1,418.61)
Repayment of lease liability		(84.19)	(49.70)
Net cash (used in) / from financing activities	**C**	**(8,428.53)**	**(9,924.54)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**668.48**	**(443.14)**
Cash and cash equivalents at the beginning of the year		833.21	1,276.35
Cash and cash equivalents at the end of the year		**1,501.69**	**833.21**
Notes :			
Components of cash and cash equivalents			
Cash Balance		3.15	4.77
Bank Balance- Current Account		1,298.55	103.45
Fixed Deposits		200.00	725.00
Total cash and cash equivalents (Note 10)		**1,501.69**	**833.21**

The accompanying notes form an integral part of this financial statements

As per our report of even date
For Venkat and Rangaa LLP
Chartered Accountants
Firm Regn No. 004597S

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED
CIN: U91990TZ1995PLC005869

S Manisekaran
Partner
Membership No.026400

Dr. D. Karthikeyan
Chairman
DIN-02259481

Hanish Chhabra
Managing Director
DIN-06798704

Girish Kumar NJRV
Chief Financial Officer
Membership No.M27086

Saurabh Misra
Company Secretary
Membership No.A25150

Place : Chennai
Date : 08.10.2025

Statement of Change in Equity for the year ended 31 March 2023

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

A. Equity Share Capital

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the current reporting period	60,000.00	60,000.00
Changes in Equity Share Capital due to prior period adjustments	-	-
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period	**60,000.00**	**60,000.00**

B. Other Equity

Particulars	Equity component of compound financial instruments	Reserves and Surplus	Other Comprehensive Income	Total
		Retained Earnings	Remeasurements of the defined benefit obligations	
Balance as at 31.03.2021	4,789.55	(33,824.45)	-	**(29,034.90)**
Changes in on account of accounting policy				
Prior period adjustments	-	0.50	-	**0.50**
Restated balance at the beginning of the current reporting period	4,789.55	(33,823.95)	-	**(29,034.40)**
Total Comprehensive Income for the current year	-	5,046.76	-	**5,046.76**
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance as at 31.03.2022	**4,789.55**	**(28,777.19)**	**-**	**(23,987.64)**
Changes in on account of accounting policy				
Prior period adjustments	-	4.07	**-**	**4.07**
Restated balance at the beginning of the current reporting period	4,789.55	(28,773.12)	**-**	**(23,983.57)**
Total Comprehensive Income for the current year	-	13,612.94	16.20	**13,629.14**
Transfer to retained earnings	-	**-**	-	-
Any other change (to be specified)	-	**-**	-	-
Balance as at 31.03.2023	**4,789.55**	**(15,160.19)**	**16.20**	**(10,354.43)**

As per our report of even date
For Venkat and Rangaa LLP
Chartered Accountants
Firm Regn No. 004597S

S Manisekaran
Partner
Membership No.026400

Place : Chennai
Date : 08.10.2025

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED
CIN: U91990TZ1995PLC005869

Dr. D. Karthikeyan
Chairman
DIN-02259481

Hanish Chhabra
Managing Director
DIN-06798704

Girish Kumar NJRV
Chief Financial Officer
Membership No.M27086

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Company Secretary
Membership No.A25150

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1. Company Information

New Tirupur Area Development Corporation Limited ("The Company"/ "NTADCL"), is a Public Limited Company incorporated on February 24, 1995 vide registration number U91990TZ1995PLC005869 under the Companies Act, 1956 domiciled in India. The registered office of the Company is at Tea Building, No 66, Appachi Nagar Main Road, Kongu Nagar, Tirupur, 641607.

NTADCL has been granted exclusive right to abstract water from river Cauvery, vide Concession Agreement with Government of Tamil Nadu in the year 2000. The project envisaged supply of 185 Million Litres per Day (MLD) of potable water (expandable to 250 MLD) mainly to meet the water requirements of hosiery and related industries in and around Tirupur. In addition, 15 MLD Sewage treatment plant expandable to 30 MLD was also conceived for Tirupur Corporation.

2. Summary of Significant Accounting Policies

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

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company adopted Ind AS from 1st April 2021 (Date of transition to Ind AS).

Ind AS 1 – Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and also identify and eliminate immaterial accounting policies from the financial statements. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company has evaluated the amendment and does not expect this amendment to have any significant impact in its Financial Statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of "accounting estimates" which was absent hitherto, and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The company has evaluated the amendment and does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The company has evaluated the amendment and does not expect this amendment to have any significant impact in its financial statements.

2.2 Functional and Presentation Currency

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

2.3 Basis of Presentation and Measurement

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

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

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

i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

ii. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Use of Estimates and judgements and Estimation uncertainty

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

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

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

Revenue Recognition

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

Provisions and other Contingent Liabilities

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

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

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

2.5 Revenue recognition

a) Sale of Goods and Services

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

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

Ancillary services

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

b) Interest income

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

c) Grant Income

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

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

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

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

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

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

2.6 Property Plant and Equipment (PPE)

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

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

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

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

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

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

g) Assets costing Rs. 20,000/or less- are fully expensed off in the period of purchase.

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

Particulars	Useful Life
Office Equipments	5
Furniture and Fixtures	10
Motor Vehicles	8/10
Plant and Machinery	25/10
Building	30/50/100
Data Processing Equipments	3/6

2.7 Intangible Assets

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

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

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

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

2.8 Financial Instruments

a) Initial Recognition:

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition, except for receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added or deducted to the fair value on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities at FVTPL are recognized immediately in the statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

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

i. Amortised Cost

ii. FVTOCI

iii. FVTPL

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

Financial assets at Amortised Cost

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

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

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

Effective Interest rate method:

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

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

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

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

Financial assets at FVTOCI

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

Financial Assets at FVTPL

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

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

c) Financial Liabilities and Equity

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

Equity instruments

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

Financial liabilities

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

Hedging

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

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

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

When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Compound Financial Instrument

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

d) De-recognition

Financial Assets:

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

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in Equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

Financial Liabilities:

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

e) Offsetting

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

f) De -recognition of financial instruments

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

2.9 Borrowing Costs

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

2.10 Financial guarantee contracts

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

2.11 Inventory

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

Cost is arrived on the basis of

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

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

2.12 Employee Benefits

a) Short term Employee benefits:

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

b) Defined Contribution Plan:

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

c) Defined Benefit Plan:

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

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

Re-measurement gains/losses

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

d) Earned / Unearned leave encashment

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of projected unit credit method by an independent actuarial valuation.

e) Loan to Employees

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

f) Actuarial valuation

The determination of Company's liability towards defined benefit obligation and other long term employee benefits to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the Notes to the financial statements.

2.13 Income Taxes

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

Current Tax

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

Prior Tax

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

Deferred Tax

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

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

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

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

2.14 Impairment

For Financial Instruments:

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

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

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

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

For assets other than financial instruments

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

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

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

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

2.15 Provisions and Contingent Liabilities

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

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

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

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

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

2.16 Leases

The company as a Lessee:

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

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

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

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

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

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

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

The Company as a lessor:

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

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

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

2.17 Cash and cash equivalents

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

2.18 Current & Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is classified current when:

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

The company classifies all other liabilities as non-current.

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

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

2.19 Earnings per share

a. Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.20 Dividend

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

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

2.21 Events after Reporting Period

When events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the input of such events is adjusted within the financial statements, otherwise, event after the Balance Sheet date of material size or nature are only disclosed.

2.22 Material Prior period errors

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

As per our report of even date
For Venkat and Rangaa LLP
Chartered Accountants
Firm Regn No. 004597S

S Manisekaran
Partner
Membership No.026400

Place : Chennai
Date : 08.10.2025

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED
CIN: U91990TZ1995PLC005869

Dr. D. Karthikeyan
Chairman
DIN-02259481

Hanish Chhabra
Managing Director
DIN-06798704

Girish Kumar NJRV
Chief Financial Officer
Membership No.M27086

Saurabh Misra
Company Secretary
Membership No.A25150

Notes to the financial statements for the year ended March 31, 2023

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

3. Property, Plant and Equipment

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Carrying Amount of		
Land	3.73	3.73
Building	8,442.56	9,056.16
Plant and Machinery	32,944.71	35,418.03
Office Equipment	32.78	4.44
Computers	3.01	4.29
Furniture	2.23	2.50
Vehicles	42.29	20.58
CWIP	58.00	-
	41,529.31	**44,509.73**

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

Particulars	Land	Building	Plant and Machinery	Office Equip-ment	Comput-ers	Furniture	Vehicles	CWIP	Total
Cost or Valuation									
As at April 01, 2021	3.73	10,283.34	40,370.87	6.18	6.58	3.06	**29.90**	-	50,703.66
Additions	-	-	1.70	1.25	-	-	-	-	2.95
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**3.73**	**10,283.34**	**40,372.57**	**7.43**	**6.58**	**3.06**	**29.90**	-	**50,706.62**
Additions	-	-	-	33.48	-	-	30.15	58.00	121.63
Disposals	-	-	-	-	-	-	0.31	-	0.31
Balance as at March 31, 2023	**3.73**	**10,283.34**	**40,372.57**	**40.91**	**6.58**	**3.06**	**59.74**	**58.00**	**50,827.93**
Depreciation and Impairment									
As at April 01, 2021	-	**613.59**	**2,477.40**	**1.41**	-	**0.28**	**4.66**	-	3,097.35
Additions	-	613.59	2,475.23	1.58	2.29	0.28	4.66	-	3,097.63
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	**1,227.18**	**4,952.63**	**2.99**	**2.29**	**0.56**	**9.33**	-	**6,194.98**
Additions	-	613.59	2,475.23	5.14	1.28	0.27	8.13	-	3,103.64
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	**1,840.77**	**7,427.86**	**8.13**	**3.57**	**0.83**	**17.45**	-	**9,298.62**
Net Book Value									
Balance as at March 31, 2022	**3.73**	**9,056.16**	**35,418.04**	**4.44**	**4.29**	**2.50**	**20.58**	-	**44,509.73**
Balance as at March 31, 2023	**3.73**	**8,442.56**	**32,944.71**	**32.78**	**3.01**	**2.23**	**42.29**	**58.00**	**41,529.31**

Notes to the financial statements for the year ended March 31, 2023

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

4. Right of Use Assets

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Carrying Amount of		
Land	51.76	57.09
Building	42.38	113.13
	94.14	**170.22**

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

Particulars	Land	Building	Total
Gross Carrying Value			
As at April 01 2021	**68.66**	**210.97**	**279.63**
Additions	-	-	-
Disposals / Adjustments during the Year	-	-	-
Balance as at March 31, 2022	**68.66**	**210.97**	**279.63**
Additions	-	20.05	20.05
Disposals / Adjustments during the Year	-	37.07	37.07
Balance as at March 31, 2023	**68.66**	**193.95**	**262.61**
Accumulated amortization			
As at April 01, 2021	**5.63**	**48.91**	**54.55**
Additions	5.93	48.91	54.85
Disposals	-	-	-
Balance as at March 31, 2022	**11.56**	**97.83**	**109.40**
Additions	5.93	54.33	59.96
Disposals	-	-	-
Balance as at March 31, 2023	**16.90**	**151.57**	**168.47**
Net Block			
Balance as at March 31, 2022	**57.09**	**113.13**	**170.22**
Balance as at March 31, 2023	**51.76**	**42.38**	**94.14**

Notes to the financial statements for the year ended March 31, 2023

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

Note	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
5.	**Non Current Financial Assets - Security deposit (at Amortised Cost)**		
	Security Deposit	25.02	26.55
	Total	**25.02**	**26.55**
6.	**Other Non Current Financial Assets (at Amortised Cost)**		
	Bank Deposit with original maturity of more than twelve months	83.07	21.07
	Total	**83.07**	**21.07**
7.	**Deferred tax asset (Net)**		
	Deferred tax assets on temporary deductible differences		
	Provision for employee benefits	-	-
	Unabsorbed Depreciation	13,756.10	-
		13,756.10	**-**
	Deferred tax liabilities on temporary taxable differences		
	Property, Plant and Equipment	(10,406.04)	-
		(10,406.04)	**-**
	Net deferred tax Asset / (Liability)	**3,350.06**	**-**
8.	**Other Non Current Assets**		
	Income Tax Refund	105.90	20.20
	Deposits	854.83	799.26
	Provision for gratuity	18.76	-
	Prepaid expenses	5.42	5.92
	Total	**984.91**	**825.38**
9.	**Inventories**		
	Water	19.23	16.32
	Stores and chemicals	319.06	307.57
	Total	**338.29**	**323.89**
10.	**Trade Receivable**		
	Trade receivables considered good - Secured	1,046.39	1,010.16
	Trade receivables considered good - Unsecured	8,683.65	10,851.88
	Trade receivables which have significant increase in Credit Risk	126.79	151.59
	Trade Receivables - credit impaired	-	-
	Total	**9,856.83**	**12,013.63**
	Less: Allowance for Expected Credit Loss	(126.79)	(151.59)
	Net Trade receivables	**9,730.04**	**11,862.04**

Notes to the financial statements for the year ended March 31, 2023

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

Note	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
11.	**Cash and cash equivalents**		
	(a) Balance with banks		
	(i) current accounts	1,298.55	103.45
	(ii) deposits (orginal maturity < 3 months)	200.00	725.00
	(b) Cash on hand	3.15	4.77
	Total	**1,501.69**	**833.21**
12.	**Other Bank Balances**		
	Other bank balances		
	Balance with banks held as Margin money deposit against Gurantee	18.97	18.14
	Total	**18.97**	**18.14**
13.	**Other Current Financial Assets (at Amortised Cost)**		
	Employee advances	0.48	6.30
	Balance with banks (Deposits -orginal maturity > 3 months)	8,321.16	67.18
	Interest accrued on fixed deposits with Banks	90.87	33.91
	Total	**8,412.50**	**107.39**
14.	**Current Tax Asset**		
	Tax Refund (Income & GST)	-	-
	Total	**-**	**-**
15.	**Other Current Assets**		
	TDS receivable	104.18	131.67
	Advances paid to Suppliers	54.14	50.48
	Prepaid expenses	75.68	87.96
	Financial Guarantee - Prepaid	45.79	106.66
	Other Receivables	21.69	20.96
	Total	**301.48**	**397.72**

Notes to the financial statements for the year ended March 31, 2023

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

16. Equity Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorized				
Equity shares of ₹ 10 par value	60,00,00,000	60,000.00	60,00,00,000	60,000.00
Issued				-
Equity shares of ₹ 10 par value	60,00,00,000	60,000.00	60,00,00,000	60,000.00
Subscribed and fully paid	**60,00,00,000**	**60,000.00**	**60,00,00,000**	**60,000.00**

Rights and preferences attached to equity share:

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Tamilnadu Water Investment Company Limited	17,22,94,133	28.72%	17,22,94,133	28.72%
Government of Tamilnadu	12,37,17,908	20.62%	12,37,17,908	20.62%
Aidqua Holdings (Mauritius) Inc	9,00,00,000	15.00%	9,00,00,000	15.00%
Infrastructure Leasing & Financial Services	8,92,45,454	14.87%	8,92,45,454	14.87%

Shares held by promoters at the end of the year

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the period
Tamilnadu Water Investment Company Limited	17,22,94,133	28.72%	-

17. Other Equity

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Reserve & Surplus		
Opening Balance	(28,773.12)	(33,823.95)
Profit during the year	13,612.94	5,046.76
	(15,160)	(28,777)
Equity component of compound financial instruments		
Optionally Redeemable Convertible DSRF & Sub-Debt into quasi equity shares	4,392.48	4,392.28
Financial Guarantee - Premium	397.07	397.07
	4,790	4,789.35
Other Comprehensive Income		
Remeasurements of the defined benefit obligations	16.20	-
Total	**(10,354.43)**	**(23,988.64)**

Notes to the financial statements for the year ended March 31, 2023

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

Note	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
18.	**Non Current Financial Liability - Borrowings (at Amortised Cost)**		
	Secured		
	Term Loan - From banks	-	5,409.99
	From others	5,292.00	6,693.81
	Unsecured	-	-
	Sub-Ordinate Debt	6,210.31	5,927.07
	Unsecured Loans - DSRF	1,094.74	1,027.82
	Total	**12,597.05**	**19,058.69**

Notes:

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

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

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

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

4b. FITL I and II loans were foreclosed in Aug'2017 & Jul' 2018 out of operational surplus.

4c. The Term Loan (other than IDBI and IL&FS {matter is subjudice}) were foreclosed in the year FY 2022-23 out of operational cash flow.

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

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

4f. Unsecured Loan and Sub-ordinate debt repayment would be subjected to the payment of the principal and interest of the senior lenders due as per the terms and conditions of Common loan agreement.

Notes to the financial statements for the year ended March 31, 2023

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

Note	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
19.	**Non Current Financial Liability - Lease Liability (at Amortised Cost)**		
	Non - Current Lease Liability	63.45	136.09
	Total	**63.45**	**136.09**
20.	**Long Term Provisions**		
	Non - Current		
	Leave encashment	45.93	43.94
	Total	**45.93**	**43.94**
21.	**Current Financial Liability - Borrowings (at Amortised Cost)**		
	Current Maturities of Long Term Borrowings		
	Term Loan - From others	983.37	1,443.27
	Total	**983.37**	**1,443.27**
22.	**Current Financial Liability - Lease Liability (at Amortised Cost)**		
	Current Lease Liability	43.00	54.55
	Total	**43.00**	**54.55**
23.	**Trade Payables**		
	Due to Micro and Small Enterprises	27.96	27.60
	Due to Creditors Other Than Micro and Small Enterprises	1,323.45	281.15
	Total	**1,351.41**	**308.75**
Note: The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company.			
24.	**Other Current Financial Liabilities**		
	Security deposits	336.15	399.42
	Interest accrued and due on borrowings	0.42	343.97
	Retention amount payable	3.38	4.10
	Total	**339.95**	**747.49**
25.	**Short Term Provisions**		
	Provision for Leave Travel Allowance	8.31	6.82
	Net Defined benefit liability - Leave encashment	13.44	34.19
	Provision For Super Annuation	6.03	-
	Provision For Bonus	0.84	-
	Provision for Expenses	36.32	4.36
	Total	**64.94**	**45.37**

Notes to the financial statements for the year ended March 31, 2023

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

Note	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
26.	**Other Current Liabilities**		
	Share Application Pending Allotment	-	228.21
	Advance received from customers	540.15	461.68
	Statutory dues (including interest thereon)	37.03	43.46
	Outstanding expenses	649.19	511.31
	Other payables	8.46	1.18
	Total	**1,234.82**	**1,245.85**

Note	Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
27.	**Revenue from operations**		
	Sale of Products		
	Sale of water	21,570.44	21,419.59
	Income from sewage treatment	743.68	667.37
	Service Income		
	Consultancy income	870.11	569.08
	Total	**23,184.23**	**22,656.03**
28.	**Other Income**		
	Interest on domestic supply	970.29	(3,465.85)
	Interest on industrial supply	5.26	7.75
	Interest on fixed deposits	291.91	49.13
	Interest on Income Tax Refund	4.89	5.96
	Liabilities written off	6.80	-
	Other Non-Operating Income	63.64	554.73
	Profit on sale of fixed assets	0.33	-
	Actuarial gain on leave encashment	3.95	-
	Bad debts recovered	24.80	1.63
	Gain on termination of lease	6.52	-
	Total	**1,378.39**	**(2,846.65)**
29.	**Cost of materials consumed**		
	Consumables	125.83	80.22
	Power and Fuel	5,283.15	4,781.82
	Operation and Maintenance expenses	2,502.70	2,549.57
	Royalty	273.92	273.93
	Repairs & Maintenance - Factory	240.16	404.13
	Total	**8,425.75**	**8,089.66**

Notes to the financial statements for the year ended March 31, 2023

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

Note	Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
30.	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Closing stock		
	Water	19.23	16.32
	Opening stock		
	Water	16.32	17.19
		16.32	**17.19**
	Net Changes in Inventory	**2.90**	**(0.87)**
31.	**Employee benefits expense**		
	Salaries and wages	248.68	311.19
	Contribution to provident and other funds	34.58	54.01
	Staff welfare expenses	8.67	7.22
	Total	**291.92**	**372.42**
32.	**Finance costs**		
	Interest on Term loans	846.44	1,625.52
	Interest on Subdebts	499.65	628.00
	Interest others	0.50	0.98
	Interest on lease liability	15.14	21.44
	Financial Guarantee - Expenses	61.07	113.63
	Total	**1,422.80**	**2,389.57**
33.	**Other expenses**		
	Power and Fuel	5.95	6.57
	Repairs & Maintenance	94.47	80.50
	Insurance	126.41	128.45
	Consultancy expenses	116.31	-
	Legal and Professional fees	337.23	243.91
	Payment to the auditors	15.64	10.85
	Rent & lease expenses	2.53	2.52
	Rates &Taxes	29.88	33.08
	CSR Expenses	151.39	140.92
	Car hire charges	37.84	44.18
	Travelling & Conveyance	27.88	17.49
	Miscellaneous expenses	53.05	47.74
	Total	**998.57**	**756.21**
34.	**Payment to Auditors**		
	Statutory Audit fees	8.85	8.85
	Tax Audit fees	6.79	2.00
	Other Services	-	-
	Total	**15.64**	**10.85**

Notes to the financial statements for the year ended March 31, 2023

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

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

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

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

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

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

Notes to the financial statements for the year ended March 31, 2023

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

against the Madras High court order in the Supreme Court. The appeal has not yet been disposed off till date by the supreme Court.

37. Following the IL&FS crisis in October 2018, wherein the Union of India, through the Ministry of Corporate Affairs (MCA), filed a petition under Sections 241 and 242 of the Companies Act, 2013, before NCLT Mumbai in C.P. No. 3638 of 2018, the Board of NTADCL directed the Internal Auditor and Independent Auditor to conduct a fresh review and submit their reports. In February 2019, the auditors submitted their reports, recommending that NTADCL lodge a claim against IL&FS for untenable deductions and interest thereon, after obtaining legal opinion. Based on the legal opinion received, the Company filed a Miscellaneous Application in C.P. No. 3638 of 2018 (Union of India vs. IL&FS & Others) before NCLT Mumbai on 23rd January 2020, seeking to set off ₹ 1,162.056 million (amount payable by IL&FS to NTADCL) against ₹ 1340.00 million (amount payable by NTADCL to IL&FS).

In light of these circumstances, the Government of Tamil Nadu (GoTN) appointed an Additional Chief Secretary-rank officer as the full-time Managing Director of NTADCL. The new management undertook a comprehensive compliance review, which led to the discovery of several financial irregularities and diversion of public funds by IL&FS and it leads to financial difficulties of NTADCL.

Subsequently, in November 2022, based on available records and a legal opinion from the Learned Advocate General of Tamil Nadu, NTADCL decided not to make any further payments to IL&FS. It was determined that, based on the actual disbursements received by NTADCL, the Company had already made an excess payment of ₹ 249.92 crore against a total disbursed amount of ₹ 138.76 crore (₹ 48.76 crore from the USAID Loan + ₹ 90 crore from the IBRD Credit Line). The dispute regarding illegal deductions by IL&FS was also reflected in NTADCL's Financial Statements for FY 2021-22.

Further, NTADCL has filed an Additional Affidavit against the IL&FS Claim before the NCLT Mumbai Bench in CA 52 of 2024 (in CP No. 3638 of 2018), CA 511 of 2020, and before the NCLT Chennai in CA 32 of 2010 and IA/102/2023 in CP 18 of 2007 (now TCP 12/2016), highlighting a short disbursement by IL&FS. The affidavit brings on record additional facts that were previously undisclosed, supported by various legal opinions and audit reports.

As per books of accounts the amount lying in credit in various loans of ILFS is Rs. 114.31 crore (net of INDAS entries) and not adjusted in view of matter under subjudice.

38. As per the Corporate Debt Restructuring (CDR) terms, the Company has to issue Cumulative Redeemable Preference Shares (CRPS) amounting to ₹ 210 crore towards the Right of Recompense (ROR) as per the methodology agreed in the Master Restructuring Agreement (MRA) dated 29.03.2012, contingent upon the occurrence of certain specified events under the sanction terms. In 2024, IDBI demanded ₹ 69.83 crore towards ROR. However, based on the prepayments made by the Company and the valuation certificate from a Expert / Registered Valuer, NTADCL communicated a NIL ROR to the IDBI. Consequently, a dispute has arisen regarding the ROR, and the matter is sub judice before the Hon'ble High Court of Madras in a writ of Certiorarified Mandamus filed by the Company against the ROC and senior lenders.

39. During the year 2012-13, the Company has received a sum of Rs 35.00 crores from the Government of Tamilnadu towards share capital contribution. Out of this amount received, the Company has allotted shares to the extent of Rs 32.72 crores to the Government of Tamilnadu and has refunded the excess

Notes to the financial statements for the year ended March 31, 2023

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

amount of Rs. 2.28 crore on 31.3.2023. The Government of Tamilnadu has filed an application before the Company Law Board (presently NCLT) for increasing the Authorised Capital of the Company for enabling the Company to issue the shares to the Government of Tamilnadu and comply with the terms of the Corporate Debt Restructuring agreed to by the Company with the lenders. The matter has been adjourned sine die by the Company Law Board (now NCLT) pursuant to the pending proceedings before the Hon'ble Supreme Court in CA No. 6857 of 2018.

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

Subsequent hearings have been adjourned by the court, pursuant to the pending proceedings before the Hon'ble Supreme Court in CA No. 6857 of 2018. "

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

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

Consequently, the Company filed a writ petition before the Hon'ble High Court of Madras, challenging the order dated 30.06.2021 on the grounds that it was not sustained by the appellate authority and the case prima facie made out was admitted by order dated 01.10.2021. The matter is currently pending at the final hearing stage and remains sub judice before the Hon'ble High Court of Madras.

42. Turnover, Opening and Closing Stock of Water

Particulars	Quantity	Value (Rs.)
Turnover	62,549 Million Litres (Prev. Yr. 62,127 Million Litres)	Rs. 21,570.43 Lakhs, (Prev. Yr. Rs.21,419.59 Lakhs)
Opening Stock	147.77 Million Litres (Prev. Yr. 150.37 Million Litres)	Rs. 16.32 Lakhs, (Prev. Yr. Rs.17.79 Lakhs)
Closing Stock	163.00 Million Litres (Prev. Yr. 147.77 Million Litres)	Rs. 19.21 lakhs, (Prev. Yr. Rs.16.32 Lakhs)

Notes to the financial statements for the year ended March 31, 2023

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

43. Contingent Liabilities and Capital Commitiments

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
a. Contingent Liability on the O&M Contract/others	1,019.22	1,012.12
b. Claims against the Company not acknowledged as debt	7,470.69	188.15
Particulars	**As at 31-Mar-2023**	**As at 31-Mar-2022**
TNPCB Water Cess Claim (upto FY 2014-15)	956.37	956.37
MWUL - Pending reconciliation	62.85	55.75
Total	**1,019.22**	**1,012.12**
Particulars	**As at 31-Mar-2023**	**As at 31-Mar-2022**
Interest Claim by TWICL	43.16	43.16
Claim by AIDQUA (without interest) toward the professional fees and incorporation expenses (USD 191004*75.91)	156.83	144.99
Claim by IDBI Bank Ltd towards Right of Recompense (ROR for Consortium of Bank)	6,983.00	-
Contingent liabilities on account of GST (Internal Evaluation)	287.70	-
Total	**7,470.69**	**188.15**

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

44. Earnings Per Share

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Net Profit after Tax as per statement of Profit and Loss attributable to equity share holders used as numerator in calculating earnings per share [₹ In lakhs]	13,612.94	5,046.76
Weighted Average Number of Equity Shares used as denominator in calculating basic earnings per share	60,00,00,000	60,00,00,000
Nominal Value per Equity Share [in ₹]	10	10
Basic Earnings Per Share [in ₹]	2.27	0.84
Net Profit after Tax as per statement of Profit and Loss attributable to equity share holders used as numerator in calculating diluted earnings per share [₹ In lakhs]	13,612.94	5,046.76
Weighted Average Number of Equity Shares used as denominator in calculating diluted earnings per share	70,15,00,000	70,15,00,000
Diluted Earnings Per Share [in ₹]	1.94	0.72

Notes to the financial statements for the year ended March 31, 2023

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

45. Employee benefits

(i) Defined benefit plans:

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

A. Funding

Defined benefit plan is fully funded by the group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Company has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

B. Movement in net defined benefit (Asset) Liabilities

Gratuity & Leave Benefit

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of one years or more is entitled to gratuity at 15 days salary (15/26 * last drawn basic salary plus dearness allowance) for each completed year of service, in case of KMP, it will be calculated as per the terms of appointment letter. The gratuity scheme is funded by the Company and is managed by separate trust. The liability for gratuity scheme is recognised on the basis of actuarial valuation.

The Company provide for earned leave benefit and sick leave to the employees of the company, which accrue annually at 30 days and 12 days respectively, if sick leave exceeds 45 days, 50% of sick leave will be credited to earned leave. Earned leave is encashable while in service. The liability for the same is recognized on the basis of actuarial valuation.

Particulars	Gratuity (Funded)		Leave Encashment (UnFunded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Reconciliation of opening and closing balances of the present value of the defined benefit obligation				
Projected benefit obligation at the beginning of the year	53.27	45.92	78.14	68.03
Service cost	4.92	5.79	3.03	2.81
Interest cost	3.27	2.65	4.21	3.43
Remeasurement - Acturials (gain)/losses	(15.93)	(0.43)	(3.95)	16.49
Benefits paid	(3.27)	(0.65)	(22.06)	(12.62)
Projected benefit obligation at the end of the year	**42.26**	**53.27**	**59.37**	**78.14**

Notes to the financial statements for the year ended March 31, 2023

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

Particulars	Gratuity (Funded)		Leave Encashment (UnFunded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Change in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	55.94	46.52	-	-
Interest income	3.66	2.88	-	-
Employer contributions	4.42	6.70	-	-
Benefits paid	(3.27)	(0.65)	-	-
Remeasurement Return on plan assets, excluding amount included in interest income	0.27	0.50	-	-
Fair value of plan assets at the end of the year	**61.02**	**55.94**	**-**	**-**
Amount recognised in the Balance Sheet				
Present value of projected benefit obligation at the end of the year	42.26	53.27	59.37	78.14
Fair value of plan assets at the end of the year	(61.02)	(55.94)	-	-
Net Defined Benefit Liability / (Assets)	**(18.76)**	**(2.67)**	**59.37**	**78.14**
Expense recognised in the Statement of Profit and Loss				
Service cost	4.92	5.79	3.03	2.81
Net Interest cost	(0.39)	(0.23)	4.21	3.43
Remeasurement - Acturials (gain)/losses	-	-	(3.95)	16.49
Remeasurement Return on plan assets, excluding amount included in interest income	-	-	-	-
Net Cost	**4.53**	**5.56**	**3.29**	**22.73**
Amount recognised in the Statement of other Comprehensive Income				
Remeasurement - Acturials (gain)/losses	(15.93)	(0.43)	-	-
Remeasurement Return on plan assets, excluding amount included in interest income	(0.27)	(0.50)	-	-
Amount Recognised in Other Comprehensive (Income) / Expenses	(16.20)	(0.93)	-	-
Summary of actuarial assumptions				
Discount rate	7.40%	6.90%	7.30%	6.90%
Weighted Average rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Weighted Average duration of defined benefit obligation	7.80 Years	7.51 Years	3.74 Years	2.89 Years
Withdrawl Rate	1.00%	1.00%	1.00%	1.00%
Leave Encashment rate	10.00%	10.00%	10.00%	10.00%
Leave Availment rate	10.00%	10.00%	10.00%	10.00%

Notes to the financial statements for the year ended March 31, 2023

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

Particulars	Gratuity (Funded)		Leave Encashment (UnFunded)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
The expected cash flows over the next few years are as follows:				
Year				
1	1.94	11.80	13.44	34.19
2	0.74	1.90	10.49	10.82
3	9.94	0.74	15.20	8.39
4	0.66	9.80	6.34	12.19
5	0.71	0.67	5.37	5.06
6 to 10	29.71	28.92	21.63	20.86
Remeasurement - Acturial (gain) /loss arising from				
Change in financial assumptions	(1.69)	(1.41)	(0.79)	(0.70)
Change in demographic assumptions	-	-	-	-
Experience variance	(14.24)	0.98	(3.17)	17.18
	(15.93)	(0.43)	(3.95)	**16.49**

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

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

Sensitivity analysis of significant actuarial assumptions

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

For Gratuity

Particulars	31.03.2023		31.03.2022	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%)	43.95	40.67	55.31	51.36
(% change compared to base due to sensitivity)	3.99%	-3.77%	3.83%	-3.58%
Salary Growth rate (-/+ 0.5%)	40.65	43.96	51.34	55.32
(% change compared to base due to sensitivity)	-3.82%	4.01%	-3.62%	3.85%

For Leave encashment

Particulars	31.03.2023		31.03.2022	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%)	60.36	58.41	79.14	77.17
(% change compared to base due to sensitivity)	1.66%	-1.61%	1.28%	-1.24%
Salary Growth rate (-/+ 0.5%)	58.40	60.36	77.16	79.14
(% change compared to base due to sensitivity)	-1.64%	1.68%	-1.25%	1.29%

Notes to the financial statements for the year ended March 31, 2023

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

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

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

The Company has filed an additional affidavit before the NCLT Mumbai Bench in CA 52 of 2024 in CP No. 3638 of 2018, CA 511 of 2020, and before the NCLT Chennai in CA 32 of 2010 and IA/102/2023 in CP 18 of 2007 (now TCP 12/2016), highlighting a short disbursement by IL&FS. The affidavit brings on record additional facts that were not previously disclosed, supported by various legal opinions and audit reports. Based on the actual amount received by NTADCL from IL&FS, it has been determined that an excess payment of ₹ 249.92 crore has already been made to IL&FS. The matter is currently sub judice before NCLT Mumbai and NCLT Chennai.

LIST OF RELATED PARTIES:

Promoter	Tamilnadu Water and Investment Company Limited
Associates	Infrastructure Leasing and Financial Services Limited
Key Management Personnel	Mr. Chandrakant B Kamble, I.A.S. - Managing Director
	Mr. S. Ramasundaram - Company Secretary
Directors	Mr. Shiv Das Meena, I.A.S
	Mr. Prashant M Wadnere, I.A.S.
	Mr. L. Krishnan
	Mr. Faizal N Syed
	Mr. A. Sakthivel
	Mr. Baiju Mathew
	Mr. R. Ananda Ganesan
	Mrs. K. Bhoomalakshmi
	Mr. G. Mahalingam

The details of amount due to related parties as at March 31, 2023 and March 31, 2022

Party	As at 31.03.2023	As at 31.03.2022
Tamilnadu Water and Investment Company Limited	1,516.87	2,010.25
Infrastructure Leasing and Financial Services Limited *	-	14,404.55

* Refer Note No. 37

Notes to the financial statements for the year ended March 31, 2023
(All amounts are in of Lakhs, unless otherwise stated)

The details of Related Party Transaction entered into by the Company for the year ended March 31, 2023 and March 31, 2022

Party	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Paid		
Infrastructure Leasing and Financial Services Limited	167.32	669.32
Tamilnadu Water and Investment Company Limited	-	0.20
Loans repaid		
Infrastructure Leasing and Financial Services Limited	1,164.83	1,443.27
Services provided		
Tamilnadu Water and Investment Company Limited	0.19	19.55
Remuneration Paid to Key Managerial Personnel		
Mr. Chandrakant B Kamble	18.78	26.05
Mr.S. Ramasundaram	31.53	29.68
Directors Sitting Fees		
Mr. A. Sakthivel	0.60	0.90
Mr. Baiju Mathew	0.30	0.90
Mr. Faizal N Syed	0.90	1.65
Mr. G. Mahalingam	0.30	-
Mr. L. Krishnan	0.45	1.35
Mr. Prashant Wadnere	0.75	0.30
Mr. R. Ananda Ganesan	0.75	0.15
Mr. Shiv Das Meena	0.90	0.75
Mrs. K. Bhoomalakshmi	0.90	1.35
Ms. Malini Shankar	0.30	0.90
Mr. Harmander Singh	-	0.15
Ms. Pooja Kulkarni	-	0.15
Mr. S. Krishnan	-	0.15
Mr. S. Ramesh - SBI	-	0.75
Mr. Chandrakant B Kamble	-	0.15

48. Leases

i. As a Lessee

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

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

Notes to the financial statements for the year ended March 31, 2023
(All amounts are in of Lakhs, unless otherwise stated)

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

Following are the changes in the carrying value of right of use asset for the year ended 31st March 2023:

Particulars	Land	Building	Total
Balance at 31 March 2022	57.09	113.13	**170.22**
Additions	-	20.05	20.05
Depreciation	5.63	54.33	59.96
Deletions	-	37.07	37.07
Balance at 31 March 2023	**51.76**	**42.38**	**94.14**

The Following is the Breakup of Current and Non-Current Lease Liability as at March 31, 2023 and March 31, 2022

Particulars	As at 31.03.2023	As at 31.03.2022
Current Lease Liability	43.00	54.55
Non-Current Lease Liability	63.45	136.09
Total	**106.45**	**190.64**

The movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 is as follows

Particulars	As at 31.03.2023	As at 31.03.2022
Opening balance	190.64	239.93
Additions	20.05	-
Deletions	(43.59)	-
Finance Cost	15.14	21.44
Payment of lease liability	(75.80)	(71.13)
Closing Balance	**106.45**	**190.64**

ii. As a Lessor

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

Notes to the financial statements for the year ended March 31, 2023

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

49. Corporate Social Responsibility expenditure

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(i) Amount required to be spent by the company	151.39	140.92
(ii) Amount of expenditure incurred	151.39	140.92
(iii) Shortfall at the end of the year	NIL	NIL
(iv) Total of previous years shortfall	NIL	NIL
(v) Reason for shortfall	Not Applicable	Not Applicable
(vi) Nature of CSR Actvities	1. Promotion of education and sanitation in Tirupur	1. Construction of Sanitary Complexes in Tirupur. 2. Repairs and Maintenance of Night shelters
(vii) Details of Related party transactions. Eg. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard	Not Applicable	Not Applicable
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

50. Financial Instruments

a. Financial Instrument by category

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Loans	25.02	-	-	25.02	25.02
Trade Receivables	9,730.04	-	-	9,730.04	9,730.04
Cash and Cash equivalents	1,501.69	-	-	1,501.69	1,501.69
Other financial assets	8,495.57	-	-	8,495.57	8,495.57
Liabilities					
Borrowings from banks	-	-	-	-	-
Borrowings from others	13,580.42	-	-	13,580.42	13,580.42
Lease Liabilities	106.45	-	-	106.45	106.45
Trade payables	1,351.41	-	-	1,351.41	1,351.41
Other financial liabilities	339.95	-	-	339.95	339.95

Notes to the financial statements for the year ended March 31, 2023

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

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

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Loans	26.55	-	-	26.55	26.55
Trade Receivables	11,862.04	-	-	11,862.04	11,862.04
Cash and Cash equivalents	833.21	-	-	833.21	833.21
Other financial assets	128.46	-	-	128.46	128.46
Liabilities					
Borrowings from banks	5,409.99	-	-	5,409.99	5,409.99
Borrowings from others	15,091.97	-	-	15,091.97	15,091.97
Lease Liabilities	190.64	-	-	190.64	190.64
Trade payables	308.75	-	-	308.75	308.75
Other financial liabilities	747.49	-	-	747.49	747.49

Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2023 and March 31, 2022 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

Particulars	As at 31.03.2023	As at 31.03.2022
Trade receivables	9,730.04	11,862.04
Cash and cash equivalents	1,501.69	833.21
	11,231.73	12,695.25

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

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
(a) Financial assets at amortised cost		
Interest income on bank deposits	291.91	49.13
Interest income on other financial assets	980.43	(3,452.15)
Income Recovered from Customers	-	1.63
(b) Financial assets/liabilities at fair value through profit or loss (FVTPL)		
Net gains/(losses) on fair valuation of derivative financial instruments	-	-
(c) Financial liabilities at amortised cost		
Interest expenses on lease obligations	15.14	21.44
Interest expenses on borrowings from banks, others and overdrafts	1,407.65	2,368.13

Notes to the financial statements for the year ended March 31, 2023

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

51. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

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

Credit risk:

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

Trade and other receivables

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

Cash and cash equivalents and other investments

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

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 was as follows:

Notes to the financial statements for the year ended March 31, 2023

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

Particulars	As at 31-03-2023	As at 31-03-2022
Loans	25.02	26.55
Trade receivables	9,730.04	11,862.04
Cash and cash equivalents	1,501.69	833.21
Other financial assets	8,495.57	128.46

Financial assets that are neither past due nor impaired

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

Liquidity risk

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

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

As at March 31, 2023

Particulars	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	834.08	848.20	848.20	-	-	-
Borrowings from others	12,937.14	2,000.27	2,000.27	-	-	-
Lease Liabilities	106.45	92.14	9.77	19.53	29.30	33.55
Trade payables	1,351.41	1,351.41	1,351.41	-	-	-
Other financial liabilities	339.95	339.95	339.95	-	-	-

As at March 31, 2022

Particulars	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	5,409.99	9,081.72	6,775.22	2,306.50	-	-
Borrowings from others	15,091.97	35,441.21	10,984.32	24,456.89	-	-
Lease Liabilities	190.64	101.91	9.77	29.30	19.53	43.31
Trade payables	308.75	308.75	308.75	-	-	-
Other financial liabilities	747.49	747.49	747.49	-	-	-

Notes to the financial statements for the year ended March 31, 2023

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

Market risk:

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

Interest rate risk:

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

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

Particulars	As at 31-03-2023	As at 31-03-2022
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	200.00	725.00
Financial liabilities		
- Borrowings from banks	-	5,409.99
- Borrowings from others	13,580.42	15,091.97
Variable rate instruments	-	-

Fair value sensitivity for fixed rate instruments

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

52. Capital management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The total capital as on March 31, 2023 is ₹ 49,645.57 (Previous Year: 36,011.36).

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

Notes to the financial statements for the year ended March 31, 2023

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

Gearing Ratio

Particulars	As at 31 03-2023	As at 31 03-2022
Debt #	13,686.86	20,692.60
Less: Cash and bank balances*	1,501.69	833.21
Net debt	12,185.17	19,859.38
Total equity*	49,645.57	36,011.36
Net debt to total equity ratio	25%	55%

* excludes earmarked deposits/reserves

debt does not include amount payable to subsidiaries."

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

53. Deferred tax assets and liabilities

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

Recognised deferred tax assets/liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
Deferred tax assets on temporary deductible differences		
Provision for employee benefits	-	19.67
Unabsorbed Depreciation	13,756.10	19,567.24
Provision for Doubtful debts		
	13,756.10	**19,586.91**
Deferred tax liabilities on temporary taxable differences		
Property, Plant and Equipment	(10,406.04)	(11,245.05)
	(10,406.04)	**(11,245.05)**
Net deferred tax Asset / (Liability)	**3,350.06**	**8,341.86**

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

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

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

56. Willful Defaulter

There is only dispute with ILFS and other financial institutions. The company has not been declared as wilful defaulter by any of the institutions.

57. Relationship with Struck off Companies

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

Notes to the financial statements for the year ended March 31, 2023

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

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

The Company has applied to the Registrar of Companies (ROC) for the satisfaction/modification of charges, as all loans disbursed under the Common Loan Agreement (CLA) dated March 22, 2002, and subsequently restructured under the Corporate Debt Restructuring (CDR) package pursuant to the Master Restructuring Agreement (MRA) dated March 29, 2012, have been prepaid based on the disbursements received. However, the senior lenders have disputed the claim regarding the right of recompense (ROR) and certain fees. Additionally, the IL&FS-related matter is sub judice before NCLT Chennai and NCLT Mumbai, where the Company has filed an additional affidavit highlighting a short disbursement by IL&FS, supported by various legal opinions and audit reports, bringing on record additional facts. Based on the actual amount received from IL&FS, it has been determined by the company that an excess payment of ₹ 249.92 crore has already been made to IL&FS. The matter is also sub judice before the Hon'ble High Court of Madras in a writ of Certiorarified Mandamus along with direction petition, filed by the Company against the ROC for passing the necessary direction to the ROC and the senior lenders, for registering the satisfaction/ modification of charge and for the release of the Assets under charge. The Company shall file the requisite charge satisfaction/modification with the ROC based on the court's decision.

59. Compliance with number of layers of subsidiaries

The Company has no subsidiaries

60. Details of Benami Property (If any)

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

61. Undisclosed Income

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

62. Details of Crypto Currency or Virtual Currency

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

63. Loans and Borrowings

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

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

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

Notes to the financial statements for the year ended March 31, 2023

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

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

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

66. Trade receivable ageing schedule for the year ended as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	Total
(i) Undisputed Trade receivables – considered good	1,074.01	(28.24)	0.38	1.58	(16.10)	1,031.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	4,668.20	3,252.12	766.95	2.74	8.39	**8,698.40**
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables– considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk					126.79	**126.79**
(vi) Disputed Trade Receivables – credit impaired						-
	5,742.20	3,223.88	**767.33**	**4.32**	**119.09**	**9,856.83**
Less: Allowance for Expected Credit Loss	-	-	-	-	126.79	**126.79**
Total	**5,742.20**	**3,223.88**	**767.33**	**4.32**	**(7.70)**	**9,730.04**

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

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	Total
(i) Undisputed Trade receivables – considered good	1,009.60	0.56	-	-	-	**1,010.16**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(2,659.86)	3,821.64	5,765.35	1,232.63	2,692.12	**10,851.88**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	151.59	**151.59**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	(1,650.26)	**3,822.20**	**5,765.35**	**1,232.63**	**2,843.71**	**12,013.63**
Less: Allowance for Expected Credit Loss	-	-	-	-	151.59	**151.59**
Total	**(1,650.26)**	**3,822.20**	**5,765.35**	**1,232.63**	**2,692.12**	**11,862.04**

Notes to the financial statements for the year ended March 31, 2023

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

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

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	23.12	27.60
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for principal payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

67. Trade Payable ageing schedule for the year ended as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	23.12	-	-	-	23.12
(ii) Others	1,313.89	(0.47)	9.80	0.24	**1,323.45**
(iii) Disputed dues – MSME	-	4.84	-	-	**4.84**
(iv) Disputed dues - Others	-	-	-	-	-
	1,337.01	**4.37**	**9.80**	**0.24**	**1,351.41**

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

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	27.60	-	-	-	**27.60**
(ii) Others	258.51	7.09	-	15.55	**281.15**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	286.11	**7.09**	-	**15.55**	**308.75**

Notes to the financial statements for the year ended March 31, 2023

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

68. Capital work in progress as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	58.00	-	-	-	**58.00**
(ii) Projects temporarily suspended			-		-
	58.00	**-**	**-**	**-**	**58.00**

69. Ratios

Particulars	Numerator	Denominator	As at 31-Mar-2023	As at 31-Mar-2022	% change	Reason for Change
(a) Current Ratio (in times)	Current Asset	Current Liability	5.05	3.52	43%	Increase in **liability - payable to creditors (other than MSME)** and In **Current Asset** due to increase in **FD** compared to previous year 21-22
(b) Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.28	0.57	-52%	Decrease in borrowings due to pre-payment of senior loan
(c) Debt service coverage ratio (in times)	Earnings available for Debt services	Debt Service	1.76	1.07	65%	Repayment of loans and increase in net profit during the year lead to increase in debt service ratio compared to previous year 2021-22
(d) Return on equity ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	0.32	0.15	111%	Net profit increased and reduction in finance cost by pre-payment of loan
(e) Inventory Turnover ratio (in times)	Cost of good Sold	Average Inventory	25.44	26.70	-5%	Due to increase in stock and chemicals
(f) Trade receivables turnover ratio (in times)	Net Credit sales	Average Trade Receivable	2.15	2.03	6%	Increase in **Credit sales Rs.5,28,20,573**
(g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payable	10.15	23.43	-57%	Due to increase in amount paid to Creditors

Notes to the financial statements for the year ended March 31, 2023

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

Particulars	Numerator	Denominator	As at 31-Mar-2023	As at 31-Mar-2022	% change	Reason for Change
(h) Net capital turnover ratio (in times)	Revenue	Working Capital	1.42	2.34	-39%	Increase in working capital due to Fixed deposits and Revenue during the year
(i) Net profit ratio (in %)	Net Profit	Revenue	0.59	0.22	164%	Due to Pre-payment of senior loan the profit for the year has been increased
(j) Return on capital employed (in %)	Earnings before interest and taxes	Capital Employed	0.18	0.13	41%	
(k) Return on Investments	Income generated from investment	Time weighted average investment	NA	NA	NA	No investments held for the purpose of earning returns

70. Previous Year Figures

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

71. The changes were effected in the cash flow statement and notes to accounts based on the observation made by the Principal Accountant General of India and the accounts were revised which was approved by the Board of Directors in their meeting held on 8th October 2025. There is no financial impact due to the changes suggested by PAG.

Summary of significant accounting policies 1&2

As per our report of even date
For Venkat and Rangaa LLP
Chartered Accountants
Firm Regn No. 004597S

S Manisekaran
Partner
Membership No.026400

Place : Chennai
Date : 08.10.2025

For and on behalf of Board of Directors of
NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED
CIN: U91990TZ1995PLC005869

Dr. D. Karthikeyan
Chairman
DIN-02259481

Hanish Chhabra
Managing Director
DIN-06798704

Girish Kumar NJRV
Chief Financial Officer
Membership No.M27086

Saurabh Misra
Company Secretary
Membership No.A25150

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL(AUDIT-I)
Tamil Nadu, Audit Bhawan,
361, Anna Salai, Teynampet, Chennai – 600 018

PAG(Audit- I)/AMG-IV/COMML/NTADCL 2022-23/2025-26/125 Dated:12.12.2025

To
The Managing Director,
New Tirupur Area Development Corporation Limited,
"POLYHOSE TOWERS", SPIC Annex Building,
1st floor, No.86, Mount road, Guindy,
Chennai – 600 032.

Sir,

Sub: Comments of the C&AG of India u/s 143(6)(b) of the Companies Act, 2013 on the financial statements of New Tirupur Area Development Corporation Limited for the year ended 31 March 2023

I am to forward herewith the 'Nil Comment' Certificate of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of New Tirupur Area Development Corporation Limited for the year ended 31 March 2023.

A copy of the minutes of the Annual General Meeting in which the comments of the Comptroller & Auditor General of India are to be placed in terms of proviso to Section 143(6)(b) of the Companies Act, 2013 may be sent to this office. Three copies of printed Annual Reports as and when they are ready may be forwarded to this office.

Yours faithfully,

12/12/25

Deputy Accountant General/AMG-IV

Encl: As above

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of New Tirupur Area Development Corporation Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (7) of the Act are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 08/10/2025 which supersedes their earlier Audit Report dated 27/03/2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of New Tirupur Area Development Corporation Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the financial statements by the management, as indicated in Note no.71 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' report under section 143(6)(b) of the Act.

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

Place: Chennai
Date:12-12-2025

(FREDERICK SYIEMLIEH)
Principal Accountant General

NTADCL

NEW TIRUPUR AREA DEVELOPMENT CORPORATION LIMITED

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