

INDEPENDENT AUDITOR'S REPORT

**To,
The Members,
National Handloom Development Corporation Limited,
Lucknow.**

Report on the Financial Statements

We have audited the accompanying financial statements of **National Handloom Development Corporation Limited, Lucknow** which comprise of Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The audit of Accounts of 6 Regional Offices has been carried out by the Branch Auditors in accordance with the allocation made by the Comptroller and Auditor General of India (C&AG). The details of Regional Office Statutory Auditors Have been indicated as under:-

Sl. No.	Name of the Regional Office	Name & Address of the Branch Statutory Auditors
1	National Handloom Development Corporation Limited, Kannur	M/s. George & Regi, Chartered Accountants, B.B. Complex, South Bazar, Kannur-670002.
2	National Handloom Development Corporation Limited, Kolkata	M/s. R. Tulsian & Co. Chartered Accountants, 7/1C Jatindra Mohan Avenue, Kolkata-700006
3	National Handloom Development Corporation Limited, Varanasi	M/s. Krishna Anurag & Co., Chartered Accountants, C-27/273-C-14, Ist Floor, Indian Press Colony, Maldahiya, Varanasi-221002
4	National Handloom Development Corporation Limited, Panipat	M/s. J.K. Verma & Co. Chartered Accountants 191, FF, HUDA, Sector-11-12, Phase-II, Panipat (Hariyana)-132103
5	National Handloom Development Corporation Limited, Hyderabad	M/s. D.K. Rao & Associates, Chartered Accountants, 402, Prashanth Towers, Plot No-8, Srinivasa Nagar (W) Hyderabad-500038.
6	National Handloom Development Corporation Limited, Coimbatore	M/s. GGA & Associates, Chartered Accountants No.62, Kondasamy Layout, Kalidas Road, Ram Nagar, Coimbatore-641009

We have carried out the Audit of Head Office and Consolidation of Accounts at Head Office. Reports of Branch Auditors have been taken into consideration together with other particulars and information made available to us by the Head Office.

1. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in Sub-Section(3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of the Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. BASIS FOR QUALIFIED OPINION

a. The Auditors of Regional Office Kannur have indicated in their report that the balance in respect of some of the trade payables, advance from the customers, loans & advances and sundry debtors were subject to confirmation with reference to Note No. 5 of their Report and Note No. 7, 16 forming part of Consolidated Annual Financial Statements.

b. As per the books of, accounts, Regional Office Kannur is dealing only with the Yarn. However, on the verification of sale tax monthly returns of Dyes and Chemicals are also seen included. It has been explained to the Branch Auditor that sale, purchases, receipts and payments of these Dyes and Chemicals are accounted in the books of accounts of RO Coimbatore.

4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet , of the state of affairs of the National Handloom Development Corporation Limited, Lucknow as at 31st March 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in case of the Consolidated Cash Flow Statement, of the cash flows for year ended on that date;

5. Report on Other Legal and Regulatory Requirements:

- i. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section-(4A) of Section 227 of the Act, we give in the Annexure a statements on the matters specified in the paragraphs 4 and 5 of the order.
- ii. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the National Handloom Development Corporation Limited, Lucknow, as far as appears from our examination of these books;
 - c) The Consolidated Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Consolidated Balance Sheet, Statement of Profit and Loss , and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the board of Directors, none of the Directors is disqualified as on 31st March 2014, from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **A. SRIVASTAVA & CO.**
(Chartered Accountants)

Sd/-

CA Akhilesh Kumar Srivastava
Partner
M. No. 089673
FRN 511001C

Place: Lucknow
Date: 04.08.2014

ANNEXURE TO AUDITORS' REPORT ON THE ACCOUNTS OF NATIONAL HANDLOOM DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31.03.2014 (REFERRED TO IN CLAUSE 1 OF PARA OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT' OF OUR REPORT OF EVEN DATE)

1. (a) The Corporation has maintained records showing full particulars, including quantitative details and situation of its fixed assets.

(b) As informed to us, physical verification of fixed assets has been carried out by the management during the year, which in our opinion, is reasonable having regard to the size of the corporation and nature of its assets and no material discrepancies were noticed on such verification.
(c) During the year, the corporation has not disposed off a substantial part of its fixed assets.
2. (a) As informed to us, the physical verification of inventory was conducted by the management at year end. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the corporation and nature of its business.
(c) In our opinion and according to the information and explanations given to us, the corporation is maintaining proper records of inventory. We were informed that no material discrepancies were noticed on physical verification of inventory.
3. According to the information and explanations given to us, the corporation has neither taken nor granted any loans, secured or unsecured from/to companies, firms or other parties covered in the register required to be maintained under section-301 of the Companies Act, 1956. Hence, the provisions of clause-4(iii)(b), 4(iii)(c), 4(iii)(d), 4(iii)(f) and 4(iii)(g) are not applicable to the corporation.
4. In our opinion and according to the information and explanations given to us, internal control systems of the Corporation needs to be redefined to commensurate with the size of the corporation and nature of the business for purchase of the inventory and fixed assets and for sale of goods and services. In the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion and according to the information and explanation given to us, the corporation has not entered into any contracts or arrangements referred to

in section-301of the Companies Act, 1956 that need to be entered into a register required to be maintained under that section.

6. In our opinion and according to the information and explanations given to us, the corporation has not accepted any deposits from the public to which the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under would be applicable.
7. As explained to us, the corporation has an internal audit system should needs to be further strengthened to commensurate with the size of the corporation and the nature of its business.
8. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the records of the company, the corporation has been regular in depositing Provident Fund dues with its own Trust for the Employees Provident Fund Scheme. According to the information and explanations given to us there is no undisputed amount payable in respect of statutory dues which have remained outstanding as at 31st March, 2014 for the period of more than six months from the date they become payable.
- (b) According to the information furnished to us by the Management, the details of due of Income Tax/Sales Tax/Wealth Tax/Service Tax/Custom Duty/Excise Duty/Cess which have not been deposited on account of any dispute are given hereunder:

Name of the Statute	Nature of the dues	Amount* (Rs. in Lacs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.15	2000-01 (AY)	Matter pending with DCIT, Lucknow
		0.37	2004-05 (AY)	-do-
		0.26	2005-06 (AY)	-do-
		1.16	2006-07 (AY)	-do-
		0.20	2011-12 (AY)	-do-
UP Trade Tax Act	Trade Tax	0.70	2008-09	Matter pending with DC, Section-19, Lucknow
		13.67	2009-10	

* Exclusive of interest payable under the provisions of the Income Tax Act, 1961

10. The corporation does not have any accumulated losses as at the end of the financial year and it has neither incurred any cash losses during the financial under the audit nor immediately preceding financial year.
11. According to the information and explanations furnished to us, the corporation has not defaulted in repayment of dues to Banks, Financial Institutions or debenture holders.

12. According to the information and explanations furnished to us, the corporation has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information and explanations furnished to us, the provisions of any special statute applicable to chit fund are not applicable to the corporation.
14. As explained to us, the corporation is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provision of Clause (XIV) of paragraph-4 is not applicable.
15. According to the information and explanations furnished to us, the corporation has not given any guarantee for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, no term loan has been availed by the corporation during the year.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the corporation, we report that funds raised on short term basis has, prima facia, not been used for long term investment.
18. According to the information and explanations given to us, the corporation has not made any preferential allotment of shares during the year.
19. According to the information and explanations given to us, the corporation has not issued any debentures during the year.
20. The corporation has not raised any money by way of public issues during the year under audit.
21. On the basis of our examination and according to the information and explanations furnished to us, no fraud on or by the corporation has been noticed or reported during the year.

For **A. SRIVASTAVA & CO.**
(Chartered Accountants)

Sd/-

CA Akhilesh Kumar Srivastava
Partner
M. No. 089673
FRN 511001C

Place: Lucknow
Date: 04.08.2014

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTIONS:

The financial statements have been prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles, the provisions of Companies Act' 1956 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

FIXED ASSETS:

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

DEPRECIATION AND IMPAIRMENT OF ASSETS:

Depreciation on fixed Assets is charged on straight-line method. Depreciation is calculated on pro-rata basis on all additions made during the year in which the assets are put to use/ brought on charges. However, 100% depreciation is charged on the assets acquired during the year where individual cost does not exceed Rs.5000/-. Rate of depreciation prescribed in SCHEDULE XIV of the Companies Act, 1956 has been adopted.

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

GRANTS:

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

INVENTORIES:

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

SALES:

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

CLASSIFICATION OF EXPENDITURE:

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

INTEREST ON OVERDUE BILLS:

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

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

Sd/-
(Sarvepalli Srinivas)
Managing Director

Sd/-
(Dinesh Kumar)
Chairman

FINANCE CHARGES:

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

ACCOUNTING OF RETIREMENT BENEFITS:

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

PRIOR PERIOD ADJUSTMENTS:

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

RESERVE FOR DEVELOPMENTAL ACTIVITIES:

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

SEGMENT ACCOUNTING POLICY:

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

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

TAXES ON INCOME:

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

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

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

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

Sd/-
(Sarvepalli Srinivas)
Managing Director

Sd/-
(Dinesh Kumar)
Chairman

NATIONAL HANDLOOM DEVELOPMENT CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

PARTICULARS	NOTE NO.	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
I. (a) Revenue from operations	20	18400310568	13754656813
(b) Grant in-aid against reimbursement of expenditure under Yarn Supply Scheme	20	1616917664	952518108
II. Other Income	21	74454472	85299686
III. Total Revenue (I+II)		20091682704	14792474607
IV. Expenses:			
Purchases of stock in trade	22	19081579977	14023908812
Reimbursement of Transportation/depot charges	23	570846727	452092596
Changes in inventories/stock in trade	24	-1084206	-1239782
Employee benefits expenses	25	186785087	180884964
Finance costs	26	0	13899
Depreciation and amortization expenses	10 & 11	2332182	1727537
Other expenses	27	42833754	27315947
Total Expenses		19883293521	14684703973
V. Profit before exceptional and extraordinary items and tax (III-IV)		208389183	107770634
VI. Exceptional items	28	24449208	4550216
VII. Profit before extraordinary items and tax (V-VI)		183939975	103220418
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		183939975	103220418
X Tax expense:			
1 Current Tax	29	80835000	39279262
2 Deferred Tax	3	-17222568	-5798018
XI. Profit (Loss) for the period from continuing operations (IX - X)		120327543	69739174
XII. Profit/loss from discontinuing operations			
XIII. Tax expenses of discontinuing operations			
XIV. Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		0	0
XV. Profit(Loss) for the period (XI + XIV)		120327543	69739174
XVI. (i) Earnings per equity share (Before extra ordinary items)			
(1) Basic		76.20	39.10
(2) Diluted		76.20	39.10
(ii) Earnings per equity share (After extra ordinary items)			
(1) Basic		63.33	36.70
(2) Diluted		63.33	36.70

Note 1 to 30 and significant Accounting Policies annexed to Balance sheet as at the end of current reporting period and Statement of Profit and Loss and cash flow for the year ended on that date form an integral part of Accounts.

Sd/-	Sd/-	Sd/-
Jai Gopal Mahajan Dy. Gen. Manager (F&A)/ Company Secretary	Sarvepalli Srinivas Managing Director	Dinesh Kumar Chairman
		As per our Report of even date For A Srivastava & Co. Chartered Accountants
		Sd/- CA Akhilesh Kumar Srivastava Partner
Place: Lucknow		M.No. 089673
Date: 4/8/2014		F.R.No. 511001C

NOTES ON ACCOUNTS

1 SHARE CAPITAL

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

2 RESERVES & SURPLUS

	Figures as at the end of current reporting period (Rs.)		Figures as at the end of the previous reporting period (Rs.)	
(A) RESERVES:				
(I) Reserve for developmental Activities				
as per last Balance sheet	2499969		2500070	
Add : Amount transferred from Statement of Profit & Loss	1580000		1505000	
Less : Utilisation during the year	1583422		1505101	
Total(i)	2496547		2499969	
(II) Post Retirement Medical Corpus				
As per last Balance sheet	1723862		1408028	
Add : Amount transferred from Statement of Profit & Loss	1032000		412000	
Add : Interest Earned during the year	172834		276572	
Less : Utilisation during the year	442893		372738	
Total(ii)	2485803		1723862	
Total(i+ii)	4982350		4223831	
(B) SURPLUS				
As per last Balance sheet	212166370		160840491	
Add : Amount transferred from Statement of Profit & Loss	120327543		69739174	
Less:-				
Proposed Dividend	24100000		14100000	
Corporate Tax on Dividend	4095795		2396295	
Amount transferred to reserve for developmental activity	1580000		1505000	
Transferred to post retirement medical corpus	1032000		412000	
SURPLUS(B)	301686118		212166370	
TOTAL (A+B)	306668468		216390201	
Proposed Dividend per Equity Share	12.68		7.42	

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

An amount of Rs.1032000 (Previous year Rs.412000) being 1% of the profit before tax (PBT) for FY 2012-13 has been contributed to the "Post Retirement Medical Corpus" during FY 2013-14. The medical benefit under "Post Retirement Medical Scheme" shall be allowed to the superannuated employees by utilising the said corpus.

3 DEFERRED TAX LIABILITY (Net)

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

Components of Deferred Tax Assets and Deferred Tax Liability	As at the end of current reporting period	
	Deferred Tax Assets (Rs.)	Deferred Tax Liability (Rs.)
Deferred Tax Liabilities		
Difference between book value of depreciable assets as per books of accounts and written down value as per tax depreciation		7148013
Other deferred tax liability giving rise to timing difference		6096002
Deferred Tax Assets		
Provision for doubtful debts and advances etc.	12744811	
Provision for leave salary	28662140	
Other deferred tax asset giving rise to timing difference- (VRS)	294807	
Total	41701758	13244015
Net Deferred Tax Liability/ (Asset) as at the end of current reporting period		-28457743

4 NON CURRENT LIABILITIES – OTHER LONG TERM LIABILITIES

I) Other Long Term Liability (Corpus)

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
(A) Corpus Fund (Marketing Complex)		
a) Receipt from Govt. of India	82580850	82580850
b) Less: Amount adjusted/ refunded to Govt.	48158949	48158949
c) Principle amount refundable to Govt. (a-b)	<u>34421901</u>	<u>34421901</u>
d) Amount realised from agencies including adjustments	96655743	94354957
e) Less: Amount paid for acquisition of space/ other epenses etc. for complexes on behalf of agencies	91441116	88292028
f) Recievable from agencies (d-e)	<u>5214627</u>	<u>6062929</u>
g) Balance (a-b+d-e) or (c+f)	39636528	40484830
h) Amount of Interest earned less miscellaneous expenditure	109528872	96130619
Total (g+h)	149165400	136615449
(B) Corpus Fund (Mega Cluster)		
a) Receipt from Govt. of India	65000000	65000000
b) Less: Amount transferred for utilisation in Meaa Cluster	<u>17500000</u>	<u>7500000</u>
c) Balance (a-b)	47500000	57500000
d) Amount of Interest earned less miscellaneous expenditure	23236328	16703604
Total (c+d)	70736328	74203604
GRAND TOTAL (A+B)	219901728	210819053

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

II) Other Long Term Liabilities

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

- i) As per Government directives, funds released by the Government of India for outright purchases of Marketing Complexes on behalf of user agencies at Mumbai, Indore and New Delhi, after initially crediting them to corpus fund account have been utilized as per terms of relevant sanction order. The expenditure incurred on setting up of marketing complexes has been charged to corpus fund. The amount received from the agencies and interest earned on fixed deposits has been credited thereto.
- ii) Further, out of Rs. 91441116 (Previous year Rs.88292028) being total amount recoverable from user agencies against purchase cost and ground rent, an amount of Rs. 851862 (Previous year Rs. 1522241) is outstanding as at the end of current reporting period from 1 nos. agencies (Previous year 2 nos. agencies) and Rs. 4841243 (Previous year Rs.4631286) pending against vacant shops – 2 nos. (Previous year 2 nos.) at Delhi marketing complex. Amount received from agencies till the end of current reporting period includes Rs. 500000 (Previous year Rs. 500000) received from 1 no. agencies (Previous year 1 no. agency), who have now opted out.
- iii) As per Government directives, the funds released by Govt. of India for use as 'rotating working capital' for supply of yarn to the Handloom weavers in Varanasi and Sivsagar Mega cluster have been utilised as per terms of relevant sanction order. The fund has been used as working capital for supplying yarn to the Handloom agencies recommended by the State Director (Handlooms). The amount of interest earned on fixed deposits after adjusting the Misc. expenditure if any, has been credited thereto.

5 NON - CURRENT LIABILITIES - LONG TERM PROVISION

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

6 CURRENT LIABILITIES - SHORT TERM BORROWINGS

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

Corporation has taken an over-draft limit of Rs. 7000000 at Head Office Lucknow & Rs. 2000000 at Regional Office Panipat against security of Fixed Deposits. Out of Rs. 7000000 a sub limit of Rs. 3500000 has been given to Regional Office Kolkata.

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

7 CURRENT LIABILITIES – TRADE PAYABLES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
Sundry creditors (Includes Rs 908577601 payable to S.S.I units – Previous year Rs.789725907)	1579989973	1348573462
Advance from customers/others	127919420	68324167
Total	1707909393	1416897629

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

Particulars	Total		Confirmation received as at the end of current reporting period		% of Confirmation of balances as at the end of current reporting period	
	No. of agencies	Amount outstanding (Rs.)	No. of agencies	Amount outstanding (Rs.)	No. of agencies (%)	Amount outstanding (Rs.)
Creditors	523	1579989973	178	480661358	34.03	30.42
Advance from customers/ others.	1526	127919420	81	42303788	5.31	33.07

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

- ii) Sundry Creditors include amount of Rs. 290264391 (Previous year Rs. 299234610) payable to Small Scale Industries, outstanding for more than 30 days as at the end of current reporting period.

The amount due to creditors being small scale industries as above has been withheld based on the arrangement with them, wherein, the payment will be released to them only after realisation of the payment from the corresponding debtors.

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

8 CURRENT LIABILITIES – OTHER CURRENT LIABILITIES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of the previous reporting period (Rs.)
Security deposits	660739	613722
Govt. grants/participation money (See detail below)	10297172	16477029
Retention money	341649	341649
Earnest money	650717	488762
Corpus fund (Cluster development)	131985237	114790437
Corpus fund (Mega Cluster)	17500000	7500000
Advance against 10% Yarn Subsidy component of Yarn Supply Scheme	0	314536517
Transportation and depot payable	337485242	253500908
Other Liabilities	24413163	19300296
Total	523333919	727549320

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

i) Grant Statement

NATIONAL HANDLOOM DEVELOPMENT CORPORATION LIMITED									
DETAILS OF GOVERNMENT GRANTS & PARTICIPANTS MONEY FOR THE CURRENT REPORTING PERIOD									
SL. NO.	PARTICULARS	OPENING BALANCE 1.4.2013	RECEIVED FROM GOVT.	FROM PARTICIPANTS	TOTAL (3+4+5)	TRANSACTIONS EXPENSES	DURING THE YEAR REFUND/ADJUSTMENT/ TRANSFER	TOTAL (7+8)	(In Rs.)
									BALANCE AS ON 31.03.2014
1	2	3	4	5	6	7	8	9	10
1	MARKETING EXHIBITION EXPENSES								
a	SILK FAB,PUNE	0	1000000	1140014	2140014	3075819	-935805	2140014	0
b	SILK FAB, CHANDIGARH	0	1000000	1064644	2064644	3013434	-948790	2064644	0
c	SILK FAB DELHI	0	1000000	1879875	2879875	3634699	-754824	2879875	0
d	SILK FAB JAMSHEDPUR	0	1439827	983430	2423257	2423257	0	2423257	0
e	SILK FAB, JABALPUR	0	1865127	1273238	3138365	3138365	0	3138365	0
f	SILK FAB MUMBAI	0	1939028	3370481	5309509	5309509	0	5309509	0
g	SILK FAB BHOPAL	0	1538029	679926	2217955	2217955	0	2217955	0
h	SILK FAB, AHMEDABAD	0	1956823	1478700	3435523	3435523	0	3435523	0
i	SILK FAB, SURAT	0	1913998	863320	2777318	2777318	0	2777318	0
j	SILK FAB VISAKHAPATNAM	0	1000000	864934	1864934	2805155	-940221	1864934	0
k	SILK FAB LUCKNOW	0	1000000	1434338	2434338	3383848	-949510	2434338	0
l	SILK FAB KOLKATA	0	1932995	1659870	3592865	3592865	0	3592865	0
m	SILK FAB INDORE	0	1000000	1678293	2678293	3571857	-893564	2678293	0
n	SILK FAB NAGPUR,	0	1000000	785130	1785130	2404523	-619393	1785130	0
o	SILK FAB CHENNAI	0	1000000	2164188	3164188	4126409	-962221	3164188	0
p	WOOL FAB KANPUR	0	1000000	260166	1260166	1906487	-646321	1260166	0
q	WOOL FAB, BHOPAL,	0	1373627	355823	1729450	1729450	0	1729450	0
r	WOOL FAB, LUCKNOW,	0	1000000	209960	1209960	1981679	-771719	1209960	0
s	SILK FAB RANCHI	0	1000000	787500	1787500	1642801	0	1642801	144699
t	SILK FAB EARNAKULAM	0	1000000	1377500	2377500	3067831	-690331	2377500	0
u	SILK FAB TRIVENDRUM	0	1000000	1073000	2073000	2159273	-86273	2073000	0
v	SILK FAB HYDRABAD	0	1000000	1305000	2305000	1791491	0	1791491	513509
w	SILK FAB, PATNA	0	1000000	1830000	2830000	2935994	-105994	2830000	0
x	National Level Expo Kolkatta	0	0	0	0	2000000	-2000000	0	0
x	SILK FAB CHENNAI	1000000	0	0	1000000	0	1000000	1000000	0
y	SILK FAB MUMBAI	1000000	0	0	1000000	0	1000000	1000000	0
z	SILK FAB SURAT	1000000	0	0	1000000	0	1000000	1000000	0
aa	SILK FAB JAMSEDPUR	1000000	0	0	1000000	0	1000000	1000000	0
ab	SILK FAB VISAKHAPATNAM	1000000	0	0	1000000	0	1000000	1000000	0
ac	SILK FAB BANGLORE	1000000	0	0	1000000	0	1000000	1000000	0
ad	SILK FAB EARNAKULAM (2011-12)	1000000	0	0	1000000	0	1000000	1000000	0
ae	SILK FAB RANCHI (2011-12)	1000000	0	0	1000000	0	1000000	1000000	0
2	CLUSTER DEV. PROGRAMME (BURDWAN)	0	1844000	0	1844000	0	0	0	1844000
3	TRAINING PROGRAMME								
a	VARANASI H/L MEGA CLUSTER 04 EXTENSION COUNTER	0	825000	0	825000	657782	0	657782	167218
b	GRANT FOR INFORNATION EDUCATION&COMMUNICATION	5716854	5000000	0	10716854	3941678	0	3941678	6775176
c	GRANT FOR SUPPLY OF H/L PARTS	2000000	15000000	0	17000000	16907605	0	16907605	92395
d	ORGANISING SEMINAR ON DISSEMINATION OF GOVT.SCHEME	0	0	0	0	425675	-425675	0	0
e	QUALITY DYEING TRAINING PROGRAMME	0	0	0	0	388684	-388684	0	0
f	PRODUCT DIVERSIFICATION	0	0	0	0	566007	-566007	0	0
g	BUYER SELLER MEET AT KANNUR	0	93400	0	93400	109419	-16019	93400	0
h	BUYER SELLER MEET AT ERODE/NAGARKOIL	0	380000	0	380000	433826	-53826	380000	0
i	BUYER SELLER MEET AT VARANASI	0	168000	0	168000	168736	-736	168000	0
j	BUYER SELLER MEET AT BHADOHI	0	110000	0	110000	110303	-303	110000	0
k	BUYER SELLER MEET AT GUWAHATI	0	446000	0	446000	447796	-1796	446000	0
l	BUYER SELLER MEET AT IMPHAL	0	491000	0	491000	498597	-7597	491000	0
m	BUYER SELLER MEET AT KOLKATTA-RANCHI	0	183500	0	183500	245159	-61659	183500	0
n	BUYER SELLER MEET- HYD-KAKINADA-KULLU-SAMBHA	0	260000	0	260000	295216	-35216	260000	0
4	WEAVERS AWARENESS CAMP	760175	0	0	760175	0	0	0	760175
	TOTAL	16477029	53760354	28519330	98756713	93322025	-4862484	88459541	10297172

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

- ii) Corpus Fund (Cluster Development) amounting to Rs. 131985237 (Previous year Rs.114790437) received from 466 clusters (Previous year 340 clusters) as Corpus Fund for supply of yarn under the Integrated Handloom Cluster Development Scheme of Govt. of India.
- iii) Corpus Fund (Mega Cluster) amounting to Rs. 17500000 (Previous year Rs. 7500000) in respect of 2 Mega Clusters (Previous year 2 Mega Cluster) has been transferred to the concerned field offices for facilitating the supply of yarn to the handloom weavers in those Mega Clusters.
- iv) Other liabilities include Rs.9354854 (Previous year Rs.8095183) refundable on account of participation money received towards exhibition from agencies. The amount shall be refunded against demand/ final settlement.

9 CURRENT LIABILITIES – SHORT TERM PROVISIONS

(Rs.)

	Balance as at the end of previous reporting period	Addition during the year	Total	Payment/ utilisation/ charged off	Written back during the year	Balance as at the end of current reporting period
Income tax	39275000	80835000	120110000	39263610	11390	80835000
Accrued leave	63586575	43074694	106661269	10121282	0	96539987
Provision for gratuity liability	29353864	1031458	30385322	29571322	0	814000
Provision for ex-gratia	13612000	14985000	28597000	13603456	8544	14985000
Proposed dividend	14100000	24100000	38200000	14100000	0	24100000
Corporate tax on proposed dividend	2396295	4095795	6492090	2396295	0	4095795
	162323734	168121947	330445681	109055965	19934	221369782

i) The Proposed dividend per equity share for the current reporting period is Rs. 12.68 (Previous year Rs.7.42).

ii) Defined Benefit Plan

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

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

(Rs.)

Particulars	Leave Encashment	
	For the current reporting period	For the previous reporting period
Defined benefit obligation at the beginning of the year as per actuarial valuation	63586575	47101045
Add: Amount received from new joinee etc. from other PSU.	0	226751
Add: Amount provided by charging to current year's expenses	43074694	23498274
Less : Benefit paid/ leaves en-cashed	10121282	7239495
Defined benefit obligation at year end	96539987	63586575

Corporation is maintaining a Gratuity fund with M/s LIC wherein annual contribution is made to the fund based on the amount determined by it. However, the corporation is also getting the actuarial valuation done from an independent actuary, as per AS-15 at the year end.

Sd/-
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Managing Director

Sd/-
Dinesh Kumar
Chairman

The gratuity liability in excess of the amount available in the Gratuity fund (maintained with M/s LIC) as at the end of current reporting period has been shown as provision for gratuity liability as under:-

(Rs.)

Particulars	GRATUITY	
	For the current reporting period	For the previous reporting period
Defined benefit obligation at the beginning of the year with LIC	79866062	69297589
Add : Interest earned on funds with LIC	8279437	6827795
Add : Contribution paid during the year.	29353864	6858856
Less : Benefit paid/ claim settled.	10281964	3118178
Defined benefit obligation at year end with LIC.	107217399	79866062
Add : Further provision made against contribution towards Gratuity fund.	814000	29353864
Defined benefit obligation at year end after provision.	108031399	109219926

ACTUARIAL ASSUMPTION

	GRATUITY		LEAVE ENCASHMENT	
	For the current reporting period	For the previous reporting period	For the current reporting period	For the previous reporting period
Mortality table				
Rate of discounting.	9.07%	8.00%	9.07%	8.00%
Future salary rise.	18.00%	11.00%	18.00%	11.00%
Attrition rate.	2.00%	2.00%	2.00%	2.00%

NHDC GRATUITY AS AT THE END OF CURRENT REPORTING PERIOD

I. ASSUMPTIONS:

For the current reporting period (Rs.)

Discount rate Previous year	8.00%
Rate of return on Plan Assets Previous year	8.70%
Salary Escalation Previous year	11.00%
Attrition Rate Previous year	2.00%
Discount Rate Current year	9.07%
Rate of return on Plan Assets Current year	8.70%
Salary Escalation Current year	18.00%
Attrition Rate Current year	2.00%

II. Table showing change in Benefit Obligation

For the current reporting period (Rs.)

Liability at the beginning of the year	109219926
Interest cost	8737594
Current Service Cost	4402855
Past Service Cost (Non vested Benefit)	-
Past Service Cost (Vested Benefit)	-
Settlement	-
Liability Transfer in	-
Liability Transfer out	-
Benefit Paid	-10281964
Actuarial (gain) / loss on obligations	-4047012
Liability at the end of the year	108031399

III. Tables of fair Value of Plan Assets

For the current reporting period (Rs.)

Fair Value of Plan Assets at the beginning of the year	79866062
Expected Return on Plan Assets	6948347
Contributions	29353864
Transfer from other company	-
Transfer to other company	-
Benefit Paid	-10281964
Actuarial gain/ (loss) on Plan Assets	1331090
Fair Value of Plan Assets at the end of the year	107217399
Total Actuarial Gain/ (Loss) to be recognized	

Sd/-

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

Sd/-

Sarvepalli Srinivas
Managing Director

Sd/-

Dinesh Kumar
Chairman

IV. Recognition of Transitional Liability	For the current reporting period (Rs.)
Transitional Liability at start	-
Transitional Liability recognized during year	-
Transitional Liability at end	-
V. Actual Return on Plan Assets	For the current reporting period (Rs.)
Expected Return on Plan Assets	6948347
Actuarial gain/ (loss) on Plan Assets	1331090
Actual Return on Plan Assets	8279437
VI. Amount Recognition in the Balance sheet	For the current reporting period (Rs.)
Liability at the end of the year	108031399
Fair Value of Plan Assets at the end of the year	-107217399
Difference	814000
Unrecognized Past Service Cost	-
Unrecognized Transition Liability	-
Amount Recognized in the Balance sheet	814000
VII. Expenses Recognized in the Income statement	For the current reporting period (Rs.)
Current Service Cost	4402855
Interest Cost	8737594
Expected Return on Plan Assets	-6948347
Past Service Cost (Non vested Benefit) recognized	-
Past Service Cost (Vested Benefit) recognized	-
Recognition of Transition Liability	-
Actuarial (Gain) or Loss	-5378102
Expense recognized in Statement of Profit & Loss	814000
VIII. Balance sheet reconciliation	For the current reporting period (Rs.)
Opening Net Liability	29353864
Expenses as above	814000
Transfer from other company (Net)	-
Transfer to other company (Net)	-
Employer's contribution	-29353864
Amount recognized in Balance sheet	814000

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

IX. Other Details	For the current reporting period (Rs.)
Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of Rs.10,00,000/-. However, a margin for salary escalation has been kept, while calculating the actuarial liability.	-
Actuarial gain/ loss is accounted in the year of occurrence.	-
As the investment is with the insurance company, list of investment is not available so expected return is assumed to be available on risk free investment like PPF.	-
Salary Escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand & supply of the employees.	-
No. of members.	193
Salary per month	7924573
Contribution for next year	1712277

X. Category of Assets	For the current reporting period (Rs.)
Government of India Assets	-
Corporate Bonds	-
Special Deposits Scheme	-
State Government	-
Property	-
Other	-
Insurer Managed Funds	107217399
Total	107217399

XI. Experience Adjustment	For the current reporting period (Rs.)
On Plan liability (Gain)/ Loss	-22636665
On Plan asset (Loss)/ Gain	1331090

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

10	NON CURRENT ASSETS- TANGIBLE ASSETS								(In Rs.)	For the previous reporting period
	For the current reporting period									
	LAND	BUILDING	FURNITURE & FIXTURE	OFFICE & ELECTRICAL EQUIPMENT	VEHICLE	COMPUTERS	TOTAL			
GROSS BLOCK										
As at beginning of the year	3976644	19865850	4561617	6078848	2556625	9937206	46976790	45246394		
Addition during the year	-	13775779	2215814	4237360	983355	2712781	23925089	2024106		
Transfer/ Sale/ Adjustments during the year	-	-	-30240	-134148	-	-163784	-328172	-293710		
As at end of the year	3976644	33641629	6747191	10182060	3539980	12486203	70573707	46976790		
DEPRICIATION										
As at beginning of the year	-	7532072	3329214	2376779	1204906	6967101	21410073	20044492		
Transfer/ Sale/ Adjustments during the year	-	-	-11888	-51373	-	-156245	-219506	-260258		
Depreciation during the year	-	377585	357027	368606	235345	888555	2227118	1625839		
As at end of the year	-	7909657	3674353	2694012	1440251	7699411	23417684	21410073		
NET BLOCK										
As at beginning of the year	3976644	12333778	1232403	3702069	1351719	2970105	25566717	25201902		
As at end of the year	3976644	25731972	3072838	7488048	2099729	4786792	47156023	25566717		
Fixed Assets include office building, pending transfer formality of the property and registration with the Appropriate Authorities, amounting to Rs.21.63 lac (Previous year Rs.21.63 lac) at Mumbai, for which possession has been taken of the premises but Registration charges for the same will be capitalized as and when incurred.										
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which the asset is identified as impaired. The assets as appearing in the books of accounts of the corporation at year end have the value at which they are appearing therein and the impairment, if any, has been shown in the Note 28, to the balance sheet.										
Total additions in Gross block of Tangible Assets during the current F.Y. 2013-14 include an amount of Rs. 16520592 transferred from Capital work in progress.										
11	NON CURRENT ASSETS- INTANGIBLE ASSETS								(Rs.)	
	COMPUTER SOFTWARE									
	For the current reporting period	For the previous reporting period								
GROSS BLOCK										
As at beginning of the year	2393360	2349401								
Addition during the year	13461	43959								
Transfer/ Sale/ Adjustments during the year	-	-								
As at end of the year	2406821	2393360								
DEPRICIATION										
As at beginning of the year	1943605	1841907								
Adjustment during the year	-	-								
Depreciation during the year	105064	101698								
As at end of the year	2048669	1943605								
NET BLOCK										
As at beginning of the year	449755	507494								
As at end of the year	358152	449755								
Sd/-			Sd/-			Sd/-				
Jai Gopal Mahajan			Sarvepalli Srinivas			Dinesh Kumar				
Dy. Gen. Manager (F&A)/ Company Secretary			Managing Director			Chairman				

12 NON CURRENT ASSETS - CAPITAL WORK IN PROGRESS

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
Capital work in progress	0	16520592
TOTAL	0	16520592

The Capital Work in Progress of Rs. 16520592 has been capitalised in the Gross Block of Tangible Assets during the F.Y. 2013-14.

13 NON CURRENT ASSETS - LONG TERM LOAN AND ADVANCES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
Security Deposit	271633	313392
TOTAL	271633	313392

14 OTHER NON CURRENT ASSETS (CORPUS)

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(A) Deployment of Corpus Fund (Marketing Complexes)		
In Current account	527570	575342
In Fixed deposit account	143975716	131821837
Interest accrued but not received on fixed deposit	4662114	4218270
TOTAL (A)	149165400	136615449

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(B) Deployment of Corpus Fund (Mega Cluster)		
In Current account	25000	25000
In Fixed deposit account	69439195	67677140
Interest accrued but not received on fixed deposit	1272133	6501464
TOTAL (B)	70736328	74203604
GRAND TOTAL (A+B)	219901728	210819053

15 CURRENT ASSETS - INVENTORIES

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(As taken, valued and certified by the management) - Stock-in-trade - At cost (less written off for obsolescence) or net realisable value whichever is less.	9154520	8070315
TOTAL	9154520	8070315

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

16 CURRENT ASSETS- TRADE RECEIVABLE

	Figures as at the end of current reporting period (Rs.)		Figures as at the end of previous reporting period (Rs.)	
SUNDRY DEBTORS (unsecured)				
i) Over six months				
- Considered good	78293468		90584222	
- Considered doubtful	33879074		17593310	
	112172542		108177532	
- Less: Provision for doubtful debts	-33879074	78293468	-17593310	90584222
ii) Others (Considered good)		1407369626		1217503529
TOTAL		1485663094		1308087751

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

Particulars	Total		Confirmation received as at the end of current reporting period		% of Confirmation of balances as at the end of current reporting period	
	No. of agencies	Amount outstanding (Rs.)	No. of agencies	Amount outstanding (Rs.)	No. of agencies (%)	Amount outstanding (%)
Trade Recievables	1334	1519542168	216	664026792	16.19	43.70

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

ii) Trade Recievables for Rs.1519542168 (Previous year Rs.1325681061) include a sum of Rs.10606931 (Previous year: Rs.17136753) for which suits have been filed by the corporation with appropriate courts. Further, Trade Recievables include Rs. 19943331 (Previous year Rs. 21345787) receivable against supply of fabric wherein the corporation is having corresponding dues to creditors, payable only after realization. The fabric creditors are Rs. 21549649 (Previous year Rs. 22820090). Trade Recievables also includes a sum of Rs. 83397121 (Previous year Rs. 59595399) wherein supplies have been made against the revolving advance received by the corporation as Corpus Fund (Cluster Development)

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

Particulars	Balance as at the end of previous reporting period	Addition during the year	Total	Amount realized/ adjusted	Written off during the year	(Rs.)
						Balance as at the end of current reporting period
Provision for doubtful Trade Recievables.	17593310	19210756	36804066	2924992	0	33879074

17 CURRENT ASSETS - CASH & CASH EQUIVALENTS

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
Balances with scheduled bank	214480375	294940814
Balances with non- scheduled bank	2213860	912817
Cash and stamps in Hand	122259	99092
Bank deposits upto 12 month	442995922	738791234
Bank deposit exceeding 12 month	-	-
TOTAL	659812416	1034743957

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

Sd/-
Sarvepalli Srinivas
 Managing Director

Sd/-
Dinesh Kumar
 Chairman

18 CURRENT ASSETS - SHORT TERM LOANS AND ADVANCES

		Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
(i) Secured loans (considered good)			
- Vehicle loan to staff against hypothecation of vehicles		294397	353429
(ii) Advances (Unsecured) (Recoverable in cash or kind or for value to be received)			
- Advance to suppliers			
- Considered good	4499397		4477484
- Considered doubtful	<u>1604717</u>		<u>1621099</u>
	6104114		6098583
- Less: Provision for doubtful advances	<u>-1604717</u>	4499397	<u>-1621099</u>
			4477484
(iii) Advance to staff			
- Considered good	850073		1109043
- Considered doubtful	<u>126274</u>		<u>134470</u>
	976347		1243513
- Less: Provision for doubtful advances	<u>-126274</u>	850073	<u>-134470</u>
			1109043
(iv) Advance to others			
- Considered good	71294070		2696943
- Considered doubtful	<u>135151</u>		<u>135151</u>
	71429221		2832094
- Less: Provision for doubtful advances	<u>-135151</u>	71294070	<u>-135151</u>
			2696943
(v) Prepaid expenses		494910	429498
(vi) Advance income tax including tax deducted at source		57500000	37000000
(vii) DEPOSITS (Unsecured but considered good)			
- With Government departments		-	-
- For rent of complexes/ others			
- Considered good	714192		841892
- Considered doubtful	<u>86130</u>		<u>86130</u>
	800322		928022
- Less: Provision for doubtful deposits	<u>-86130</u>	714192	<u>-86130</u>
			841892
(viii) RECEIVABLES			
- From the Government of India against grant-in-aid		569920101	231648579
- Claims receivable		4039853	4024761
- Outstanding against marketing complex/ others			
- Considered good	749751		290612
- Considered doubtful	<u>1664419</u>		<u>1664419</u>
	2414170		1955031
- Less: Provision for doubtful receivables	<u>-1664419</u>	749751	<u>-1664419</u>
			290612
(ix) Interest outstanding from user Agencies			
Deferred accrued Interest			
- Considered good	-		-
- Considered doubtful	<u>17934694</u>		<u>17934694</u>
	17934694		17934694
- Less: Provision for doubtful interest	<u>-17934694</u>	0	<u>-17934694</u>
			0
TOTAL		710356744	282872241

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

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

(Rs.)

Particulars	Balance as at the end of previous reporting period	Addition during the year	Total	Amount realized/adjusted	Written off during the year	Balance as at the end of current reporting period
a) Provision for doubtful advances to suppliers.	1621099	35508	1656607	51890	0	1604717
b) Provision for doubtful advances to staff.	134470	0	134470	8196	0	126274
c) Provision for doubtful advances to others.	135151	0	135151	0	0	135151
d) Provision for doubtful deposits.	86130	0	86130	0	0	86130
e) Provision for doubtful receivables.	1664419	0	1664419	0	0	1664419
f) Provision for doubtful deferred accrued interest.	17934694	0	17934694	0	0	17934694
Total	21575963	35508	21611471	60086	0	21551385

ii) Advance to Others, Considered Good Rs. 71294070 (Previous year Rs. 2696943) include a sum of Rs. 67205500 (Previous year Nil) paid to Lucknow Development Authority towards purchase of land measuring 2000 sq meter for construction of office building.

iii) Advances to suppliers of Rs. 6104114 (Previous year Rs.6098583) include a sum of Rs. 726947 (Previous year Rs.726947) for which suit have been filed by the Corporation with appropriate courts.

iv) Loans and advances to Directors is Rs.Nil (Previous year Rs.Nil). Maximum amount due from directors at any time during the year was Rs. 547175 (Previous year Rs.112383) being advance against Travelling bills.

v) Receivable from Government of India against grant-in-aid includes Rs. 4262964 (Previous year Rs.1052988) in respect of projects wherein claims are to be submitted to the Government as at the end of current reporting period. The above amount includes Rs. 425675 (Previous year Rs.421112) wherein no GO has yet been received.

vi) Claims receivables Rs. 4039853 (Previous year Rs.4024761) includes Rs. 4024761 (Previous year Rs.4024761), which is due to be refunded by the income tax authorities, wherein, the major amount has been deposited by the corporation under protest based on the demand for earlier years.

vii) In respect of Deferred accrued interest for Rs.17934694 (Previous year Rs.17934694) as shown above, the suit has been filed by the corporation with appropriate court.

viii) In the opinion of management, current assets, loans and advances have a value on the realization in ordinary course of business atleast equal to the amount at which they are stated in the balance sheet.

19 CURRENT ASSETS - OTHER CURRENT ASSETS

	Figures as at the end of current reporting period (Rs.)	Figures as at the end of previous reporting period (Rs.)
Interest accrued but not received	5565434	23577127
Post Retirement Medical Corpus		
-FDR against Medical Corpus	2163016	1650000
-Accrued Interest on Medical Corpus	60337	37752
-Balance with Scheduled Bank in Current Account	262450	1723862
	8051237	25300989

20 REVENUE FROM OPERATIONS

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
(a) Sales less returns		
-Yarn - Yarn Supply Scheme	18593978103	13472312643
Less: 10% subsidy on Hank yarn General Scheme	-709399718	-286680244
	150436888	347237069
-Dyes & chemicals	356900491	209032957
-Fabrics	8394804	12754388
Total (a)	18400310568	13754656813
(b) Grant-in-aid against reimbursement of expenditure under Yarn Supply Scheme	872031808	651503704
10% Subsidy on Hank yarn	709399718	286680244
Service charges against 10% yarn subsidy component under Yarn Supply Scheme	35486138	14334160
Total (b)	1616917664	952518108
TOTAL (a+b)	20017228232	14707174921

Sd/-
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Managing Director

Sd/-
Dinesh Kumar
Chairman

- i) Grant in aid against reimbursement of expenditure under Yarn Supply Scheme amounting to Rs. 1616917664 (Previous year Rs. 952518108) on account of supply of yarn has been accounted for on accrual basis. Out of which, claims totaling Rs. 549567207 (Previous year Rs.334112590) relating to 4th quarter pending for submission to the government as at the end of current reporting period.
- ii) To mitigate the cost disadvantage of Handloom sector, the Govt. of India has allowed 10% price subsidy on Hank yarn to be distributed in the Handloom sector under Yarn Supply Scheme vide G.O. No. 6/1/2007-DCH/P&S dt. 06.01.2012. The subsidy will be provided upfront in the invoice to the beneficiaries. The corporation is one of the eligible agencies for supplying the yarn to Handloom sector under the scheme.
- (iii) Vide G.O. No. 6/1/2012-DCH/P&S dt 17.01.2014 the Service Charges of the corporation under Yarn Supply Scheme have been enhanced by the Govt. of India to 2% as against 1.5% in the plain region, 1.5% against 1% in hills and 1.25% against 0.75% in North Eastern Region.

21 OTHER INCOME

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Profit on sale of assets	0	0
Miscellaneous receipt/ tender Fees	1092998	250377
Interest from bank/ vehicle loan/ others	63094902	74626971
Cash discount/ commission	941797	524170
Interest received from parties on overdue bills	5516847	6551309
Service charges on government grant	0	366735
Liabilities/ excess provisions written back	822848	1485799
Provision no longer required written back	2985080	1494325
TOTAL	74454472	85299686

22 PURCHASES OF STOCK IN TRADE

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Purchases less returns		
-Yarn	18744483263	13814699913
-Dyes & chemicals	328898856	196788277
-Fabrics	8197858	12420622
TOTAL	19081579977	14023908812

23 TRANSPORTATION/ DEPOT CHARGES

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Transportation Charges	242524731	192157223
Depot Charges	328321996	259935373
TOTAL	570846727	452092596

Transportation and depot charges under Yarn Supply Scheme amounting to Rs. 570846727 (Previous year Rs. 452092596) on account of supply of yarn has been accounted for on accrual basis. Out of which, claims for expenses totaling Rs. 171852624 (Previous year Rs.140843144) of 4th quarter relating to current year were pending for submission to the government as at the end of current reporting period. Provision for transportation and depot charges payable to the user agencies has been made in accordance with the scheme.

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

	(In Rs.)		
	OPENING STOCK as at the end of previous reporting period	CLOSING STOCK as at the end of current reporting period	INCREASE (-)/ DECREASE (+)
YARN	372707	3072074	-2699367
DYES & CHEMICALS	7697608	6082447	1615161
FABRICS	0	0	0
TOTAL	8070315	9154521	-1084206
	OPENING STOCK ON 1.4.2012	CLOSING STOCK ON 31.3.2013	INCREASE (-)/ DECREASE (+)
YARN	325837	372707	-46870
DYES & CHEMICALS	6504696	7697608	-1192912
FABRICS	0	0	0
TOTAL	6830533	8070315	-1239782

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

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Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
a) Salary & Wages		
Salary and allowances	100592552	92092380
Salary and allowances (Managing Director)	1809504	1679644
Leave encashment-Including provision for accrued leave (includes Rs. 1385904 for MD - Previous year Rs.NIL)	43074694	23498274
Ex-Gratia (Includes Rs. 256011 for MD - Previous year Rs.238471)	14985000	13612000
Children education reimbursement (includes Rs.NIL for MD - Previous year Rs.NIL)	413232	455734
Conveyance reimbursement	850309	546796
Recruitment Expenses	286323	695112
Leave travel concession/encashment (Includes Rs. 41626 for MD-Previous year Rs. Nil)	529633	473525
Medical expenses (Includes Rs. 73177 for MD- Previous year Rs 25460)	7283864	5326512
Training to personnel	936038	138989
Sub Total (a)	170761149	138518966
b) Contribution to PF & other Fund		
Employers contribution to CPF & FPF/EDLI scheme (Includes Rs.203373 - for MD- Previous year Rs.182153)	12213253	11138871
Gratuity	1031458	29575626
Sub Total (b)	13244711	40714497
c) Staff Welfare expenses		
Staff welfare expenses (including honorarium, reward uniform & liveries)	1893198	1599493
Group personal accident insurance	64729	52008
Payment to NHDC Deceased Employee Scheme	821300	-
Sub Total (c)	2779227	1651501
Total (a+b+c)	186785087	180884964

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

Defined Contribution Plan

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

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Employer's contribution to CPF/ FPF & EDLI Schemes.	12213253	11138871

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

- b) Corporation has introduced a scheme during the F.Y. 2013-14 named as NHDC Deceased Employee Scheme to provide benefit to the dependents of the deceased employees.

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Chairman

26 FINANCE COSTS

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Interest to bank/ others	0	13899
Other Borrowing cost	0	0
Total	0	13899

27 OTHER EXPENSES

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
--	---	--

(a) ADMINISTRATIVE EXPENSES

Travelling expenses (Including Rs. 5084779 for MD - Previous year Rs.1187741)	13258325	6122302
Payment to auditors	170613	115106
Board meeting expenses	0	0
Books & periodicals	116021	92252
Conveyance expenses	1663756	1419200
Electricity/water charges	1773177	1549155
Insurance	91913	67914
Legal & professional charges	1140991	1318585
Membership fees & subscription	149408	45251
Office upkeep	1819361	979460
Printing & stationery	2769600	2704307
Postage/telegram/telephone & telex	3877193	3312205
Rent, rates & taxes (net of recoveries) (includes lease rent for residential accomodation of MD Rs. 21000 Previous year - Rs. NIL)	4017134	2636251
Repair & maintenance	3842111	1292419
Service vehicle expenses	918915	838104
Security expenses	490337	396155
Miscellaneous expenses	3535	38867
TOTAL (a)	36102390	22927533

i) Payment made to auditors is as below:-

Audit Fee	85000	75000
Other Capacity	83749	33041
Travelling Exp.	1864	7065
TOTAL	170613	115106

(b) TRADE

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Advertisement & publicity	631294	100050
Business promotion	111196	1510
Discount, commission & rebate	2486056	1872811
Bank charges	116355	137462
Freight & other charges	118301	77695
Meeting expenses	2263217	808821
Tender fees	303	6050
Sales tax	28200	795768
Transit Insurance on goods	189654	107247
Software implementation/ maintenance expenses	786788	481000
TOTAL (b)	6731364	4388414
TOTAL (a+b)	42833754	27315947

Sd/-

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

Sd/-

Sarvepalli Srinivas
Managing Director

Sd/-

Dinesh Kumar
Chairman

28 EXCEPTIONAL ITEMS

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
a) PROVISION, WRITE OFF ETC.		
Loss on sale of assets	68480	17145
Loss on impairment of assets	-	-
Provision for doubtful debtors	19210756	3146679
Provision for doubtful advances to supplier	35508	411579
Sub Total	19314744	3575403
b) Prior Period Adjustments	139271	-20027
c) VRS Compensation	963268	-
d) Expenses on Corporate Social Responsibility (CSR) Activity/ Sustainable Development Activity	4031925	994840
TOTAL (a+b+c+d)	24449208	4550216

Details of Prior Year Adjustments (Net) for Rs.139271 – Debit (Previous year Rs. 20027 – Credit) are as under:-
(Rs.)

Particulars	Debit
1 Yarn Supply Scheme subsidy	139271
Total	139271
Less:	
Net Amount	139271

29 TAX EXPENSES- Current Tax

	Figures for the current reporting period (Rs.)	Figures for the previous reporting period (Rs.)
Income Tax for Current year	80835000	39275000
Income Tax for earlier year	0	4262
Total	80835000	39279262

During the year provision for income tax of Rs. 80835000 (Previous year Rs. 39275000) has been made in the accounts after considering the deferred accrued interest realized for Rs. NIL (Previous Year Rs. NIL) as per practice followed on consistent basis. The deferred accrued interest booked as income in the accounts during the year is Rs. Nil (Previous Year Rs. Nil).

Sd/-
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Sd/-
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Managing Director

Sd/-
Dinesh Kumar
Chairman

30 OTHER NOTES

1 CONTINGENT LIABILITIES & COMMITMENTS :-

(A) Contingent Liabilities:-

(a) Sales tax- Rs. 11220365 (Previous year Rs.1392409).

(i) The Trade Tax Department, Maharashtra has passed an Assessment Order pertaining to FY 2006-07 in respect of Dyes and Chemicals Office Mumbai, raising a demand of Rs. 11220365 (including interest of Rs. 5747016) by disallowing the exemption of transit sale u/s 6(2) of CST Act. The order was received by the corporation on 03.06.2014. Corporation is filing an appeal against the order to the appellate authority.

(ii) The Corporation has gone in appeal for Sales Tax Assessment pertaining to Lucknow Branch Office for FY 2008-09 and FY 2009-10, for acceptance of E1 & C forms submitted after the allowed time. The appeals for both years has been allowed by the appellate Authority and Remand notice from the Assessing Authority is awaited.

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

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

(ii) Court cases against the company - Rs. 2418000 (Previous year Rs.2843000)

(iii) Bank guarantee issued in favour of M/s Karnataka Silk Marketing Board - Rs. 2000000 (Previous year Rs.2000000).

(iv) Lucknow Development Authority common service charge- Rs. 4577446 (Previous Year NIL).

(B) Commitment:-

Estimated amount of contract remaining to be executed on capital account is Rs. 217000 (Previous year Rs. 1296000).

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

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

4 Corporation has entered into a Joint venture with ACASH(55%) and EXIM Bank(10%) in the F.Y. 2013-14. The Joint Venture company has been incorporated in the name of Bharat Handloom Marketing Company Limited w.e.f. 12.02.2014 vide CIN- U741400L2014PLC264795. Share of Corporation in the Joint Venture is limited to 35% of the authorised equity share capital (i.e., 35% of Rs. 20,00,00,000 divided into 2,00,00,000 equity shares of Rs.10 each). Issued, subscribed and paid up capital of the Joint Venture Company amounts to Rs. 2,00,00,000, wherein corporation is liable to pay 35% share (Rs. 70,00,000 divided into 7,00,000 equity shares of Rs.10 each) in the F.Y. 2014-15.

5 Additional information pursuant to Schedule VI Part II to the Companies Act, 1956:-

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

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

(UNIT IN LAC KGS)
(VALUE IN RS.)

Sl. No.	PARTICULARS	YARN		DYES & CHEMICAL		FABRIC	
		Unit	Value	Unit	Value	Unit	Value
1	Opening Stock - Current Year	0.003	372707	0.380	7697608		
	- Previous Year	0.001	325837	0.351	6504696		
2	Purchase - Current Year	1270.107	18744483263	36.268	328898856	-	8197858
	- Previous Year	1088.690	13814699913	27.646	196788277	-	12420622
3	Sale - Current Year	1270.029	18035015273	36.312	356900491	-	8394804
	- Previous Year	1088.688	13532869468	27.617	209032957	-	12754388
4	Closing Stock - Current Year	0.081	3072074	0.336	6082447		
	- Previous Year	0.003	372707	0.380	7697608		

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

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

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

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

Sd/-

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

Sd/-

Sarvepalli Srinivas
Managing Director

Sd/-

Dinesh Kumar
Chairman

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

		(Rs.)			
		<u>Yarn</u>	<u>Dyes & Chemicals</u>	<u>Fabrics</u>	<u>Total</u>
A)	Primary information				
1	Segment wise Revenue	18035015273	356900491	8394804	18400310568
2	Segment wise Results	261826572	8574650	-16469250	253931972
3	Unallocated overheads	-	-	-	-123430567
4	Interest from Bank & others	-	-	-	52420401
5	Other Income	-	-	-	255112
6	Prior period adjustments	-	-	-	0
7	Provision/ write off etc.	-	-	-	763057
8	Profit before tax	-	-	-	183939975
9	Provision for Tax including earlier year	-	-	-	-80835000
10	Deferred tax	-	-	-	17222568
11	Profit after tax				120327543
12	Segment-wise assets	1747435469	113347727	3277135	1864060331
13	Unallocable Corporate Assets (Including Financial Assets).	-	-	-	1276665216
14	Total Assets	-	-	-	3140725547
15	Segment wise liabilities includes Bank Borrowing	2130901442	50604808	21549649	2203055899
16	Unallocable Corporate liabilities (Including Bank Borrowings)	-	-	-	441001180
17	Total liabilities	-	-	-	2644057079
18	Depreciation segment-wise	1451942	116479	0	1568421

- Notes:-** i. There is no inter segment transaction in segment-wise revenue.
ii. Segment- wise result includes interest on overdue bills/ deferred accrued interest for Rs.5516847.
iii. Segment-wise result includes liabilities/ provisions written back for Rs 3807928 (Credit), previous year adjustments for Rs 139271 (Debit) and provisions & write off etc made for Rs. 19246264 (Debit).

		(Rs.)	
B)	Secondary Information	Name of the Region	Segment Revenue
1	Segment Revenue by geographical area for the segment whose revenue is 10% or more of total revenue of all geographical segments.	RO Panipat	6936564193
		RO Coimbatore	6255572837
		RO Hyderabad	1883774246
		RO Varanasi	1867666257
		Name of the Region	Assets
2	Segment assets by geographical location of assets of the segment whose assets are 10% or more of total assets of all geographical segments.	RO Panipat	981840253
		RO Coimbatore	409185225
		Name of the Region	Addition to Fixed Assets
3	Additions to fixed assets for the segment where assets are 10% or more of the total assets of all geographical segments.	RO Panipat	18644200

- 7 Note 1 to 30 and significant Accounting Policies annexed to Balance sheet as at the end of current reporting period and Statement of Profit and Loss and Cash Flow for the year ended on that date form an integral part of Accounts.
8 The figures of previous year have been re-casted/ re-grouped wherever necessary to render them comparable with figures of current year.
9 Figures have been rounded off to the nearest rupee.

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

Sd/-
Sarvepalli Srinivas
Managing Director

Sd/-
Dinesh Kumar
Chairman

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

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

Place: Lucknow
Date: 4/8/2014

NATIONAL HANDLOOM DEVELOPMENT CORPORATION LTD, LUCKNOW

CASH FLOW STATEMENT FOR THE YEAR ENDING 31st MARCH 2014

(In Rs.)

PARTICULARS	2013-14	2012-13
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	183939975	103220418
Adjustments :		
i Depreciation	2332182	1727537
ii Expenditure on developmental activities/medical corpus charged to Development Fund	-1853481	-1601267
iii Income tax provision written back during the year	-11390	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	184407286	103346688
CHANGES IN WORKING CAPITAL (Excluding Cash & Bank Balances)		
Increase/Decrease in:		
i Inventories	-1084205	9453923
ii Book-debts	-177575343	-164124348
iii Loans & Advances	-50947240	-13715014
iv Receivables	-338745753	32484871
v Trade & other Payables	92582911	660170448
Cash Generated from Operations	-291362344	627616568
Less : Income Tax paid	-59763610	-38334262
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	-351125954	589282306
(B) CASH FLOW FROM INVESTING ACTIVITIES		
i Sale of Fixed Assets	108666	33452
ii Addition to Fixed Assets/W.I.P	-7417958	-2446186
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-7309292	-2412734
(C) CASH FLOW FROM FINANCIAL ACTIVITIES		
i Payment of Dividend	-16496295	-6624690
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-16496295	-6624690
(D) NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)	-374931541	580244882
(E) CASH AND CASH EQUIVALENT- OPENING BALANCE	1034743957	454499075
(F) TOTAL	659812416	1034743957
(G) CASH AND CASH EQUIVALENT- CLOSING BALANCE	659812416	1034743957
Cash & Cash Equivalent represent :		
1 Cash in Hand	122259	99092
2 Balance with Banks in Current & Fixed deposit Account	659690157	1034644865
Total	659812416	1034743957

Notes :

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

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

Place: Lucknow
Date: 4/8/2014

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Partner
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