

NARMADA CLEAN TECH

(a subsidiary of GIDC)

16th ANNUAL REPORT 2015-16



NARMADA CLEAN TECH

(Formerly known as NARMADA CLEAN TECH LIMITED)

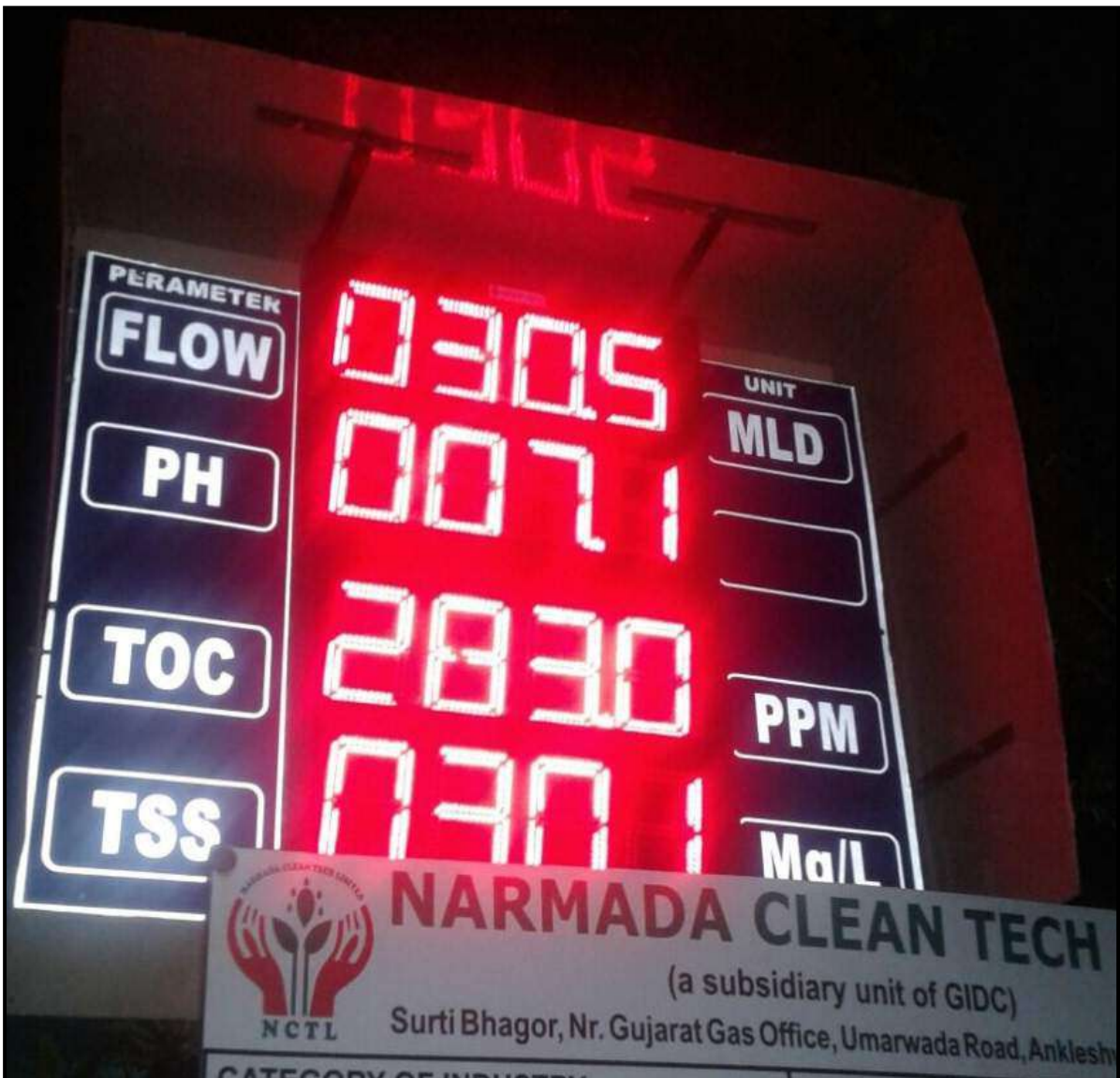
Surti Bhagor, Near Gujarat Gas Office, Umarwada Road, Ankleshwar – 393 001.

Phone No. 02646 – 645285, 645635

CIN – U40101GJ2000NPL037236



Recently Commissioned Jhagadia Pump House



Display of Outlet Parameters at Gate of FETP for public view

NARMADA CLEAN TECH
BOARD OF DIRECTORS

SR.	NAME OF DIRECTOR	PRESENT POSITION	METHOD OF APPOINTMENT
1	MS. D. THARA, IAS	VICE CHAIRPERSON & MANAGING DIRECTOR – GIDC	BY VIRTUE OF POSITION
2	DR. BHARAT JAIN VICE CHAIRMAN	MEMBER SECRETARY, GCPC	BY NOMINATION (GIDC)
3	MR. J.C. CHUDASAMA, IAS DIRECTOR	ADDITIONAL INDUSTRIES COMMISSIONER, , GoG	BY NOMINATION (IC)
4	MR. SANJIV TYAGI- IFS, DIRECTOR	DIRECTOR-GEMI	BY NOMINATION (GIDC)
5	MR. G. R. RAGHAVENDER DIRECTOR	DY. SECRETARY., DIPP, GoI	BY NOMINATION (DIPP)
6	MR. J. G. GAMIT DIRECTOR	SUPERINTENDING ENGINEER, [CG-BHARUCH], GIDC	BY NOMINATION (GIDC)
7	MR. B. P. SANGOD	ASST. INDUSTRIES COMMISSIONER & GM DIST. INDUSTRIES CENTRE, GoG	BY VIRTUE OF POSITION (IC)
8	DR. (PROF.) P.A. JOSHI, DIRECTOR	PROFESSOR, DDIT, NADIAD	INDEPENDENT DIRECTOR BY NOMINATION (GoI / GoG)
9	DR. RANJAN SENGUPTA, DIRECTOR	PROFESSOR IN CHEMICAL ENGINEERING & DIRECTOR INTERNAL QUALITY ASSURANCE CELL – M S U	INDEPENDENT DIRECTOR
10	MR. RAVI KAPOOR DIRECTOR	CHAIRMAN, ICC	BY NOMINATION (GIDC)
11	MR. A. A. PANJWANI DIRECTOR	PRESIDENT – JHAGADIA INDUSTRIES ASSOCIATION	BY VIRTUE OF POSITION
12	MR. C. A. DEVANI DIRECTOR	PRESIDENT – ANKLESHWAR INDUSTRIES ASSOCIATION	BY VIRTUE OF POSITION
13	MR. B.S.PATEL DIRECTOR	PRESIDENT – PANOLI INDUSTRIES ASSOCIATION	BY VIRTUE OF POSITION
14	GP. CAPT. (RETD) A.G. CHITRE, DIRECTOR	DIRECTOR – HEUBACH COLOUR LTD.	BY NOMINATION (SHARE HOLDERS, ANKLESHWAR)
15	MR. B. K. CHOUDHARY DIRECTOR	PRESIDENT & E.D., VARDHMAN ACRYLICS LIMITED	BY NOMINATION (SHARE HOLDERS, JHAGADIA)
16	MR. MUKESH JOBANPUTRA DIRECTOR	GENERAL MANAGER, MEGHMANI ORGANICS LIMITED	BY NOMINATION (SHARE HOLDERS, PANOLI)

AUDITORS

Manubhai & Shah.

Chartered Accountants,
(Formerly MANUBHAI & CO.)
2nd Floor, 'B' Wing, Premium House,
Near Gandhigram Rly. Station, Navrangpura,
Ahmedabad - 380 009. Gujarat

BANKERS

Bank of Baroda
HDFC Bank Ltd.

REGISTERED OFFICE:

Surti Bhagor, Nr. Gujarat Gas Office
Umarwada Road,
Ankleshwar-393 001 Dist. Bharuch

CONTENTS:	PAGE NO.:
Notice to Shareholders	4
Board Report	10
Secretarial Audit Report	30
Independent Auditors Report	33
CAG Supplementary Audit Report	40
Balance Sheet	43
Income and Expenditure Account	44
Cash Flow Statements	45
Notes to Accounts	47
Attendance Slip	68
Proxy Form	69

NARMADA CLEAN TECH

Regd. Office - Surati Bhagor, Near Gujarat Gas Office Umarwada Road,
Dist. Bharuch Ankleshwar 393001 CIN- U40101GJ2000NPL037236

NOTICE

NOTICE IS HEREBY given that the 16th ANNUAL GENERAL MEETING of the Share holders of Narmada Clean Tech will be held at THE Registered office situated at Surti Bhagor, Near Gujarat Gas Office, Umarwada Road, Ankleshwar – 393 001 Dist. Bharuch, on Saturday, the 31st December, 2016 at 11.30 Hrs to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company as at 31st March, 2016 and the Income & Expenditure Account for the year ended on that date together with the Board's Report and Auditor's Report and supplementary CAG Audit Report thereon.
2. To appoint a Director in place of Dr. Bharat Jain, (DIN 02199751) who retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjiv Tyagi, (DIN 02703684) who retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. J.G. Gamit (DIN 03621692) who retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.
5. To fix the remuneration of the Auditors of the Company.

RESOLVED THAT pursuant to the provisions of Section 139(5) and Section 142 and all other applicable provisions, if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rule 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India (CAG) for the financial year 2016-17, is fixed at Rs. 150000/- (Rupees One Lacs Fifty Thousand Only) in respect of Audit of the Accounts of the Company for the year 2016-17

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Ms. D. Thara, IAS (DIN 01911714) who became ex-officio Chairperson and Director in terms of Article 128 of the Articles of Association of the NCT and appointed by the Board of Directors by circular resolution on 25.07.2016 be and is hereby appointed as Chairperson and Director of the Company.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Shri B. P. Sangod (DIN 07587219) who was appointed as Nominee Director of Govt. of Gujarat by the Board of Directors, on 25.07.2016 be and is hereby appointed as Director of the Company.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 42, Section 62(1)(C) and other applicable provisions of the Companies Act, 2013, and subject to Memorandum and Articles of Association of the Company and subject to approvals, permissions of any institutions/ statutory authorities, if any required, consent of the shareholders of the company, be and is hereby given to the Board to make a private placement offer, to issue and to allot 726860 Equity Shares of Rs. 10/- each at par and that the Board is hereby authorized to make the private placement offer to Gujarat Industrial Development Corporation on preferential basis in order to maintain 51% equity of GIDC into NCT.

FURTHER RESOLVED THAT the equity shares offered, issued and allotted shall rank pari passu in all respects with the existing equity shares of the Company and that the draft letter of offer placed before the meeting be and is hereby approved.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors / committee formed by Board of Directors of the company be and is hereby authorized to do all acts, deeds, matters, and things and to take all such steps and to give such directions as may be considered necessary and to settle all questions or difficulties that may arise in such manner as the Board in its absolute discretion deem fit.”

For Narmada Clean Tech

(Dr. Bharat Jain)
Vice Chairman

(Mr. C.A. Devani)
Director

(Mr. Alok Kumar)
CEO - NCT

Registered Office : Surati Bhagor,
Near Gujarat Gas Office Umarwada Road,
Dist. Bharuch Ankleshwar 393001

Date: 15.12.2016

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SHOULD BE A MEMBER, AS PER SECTION 105 OF COMPANIES ACT, 2013.
2. The instrument appointing proxy should however be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of shareholders not exceeding 50 in number and holding in the aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other shareholder.
4. The Explanatory Statement as required under section 102 of the Companies Act, 2013, in respect of Special Business mentioned in the above notice is annexed hereto.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. (Section 113 of the Companies Act, 2013).
6. Members desirous of getting any information about the accounts and operations of the company are requested to send their query addressed to the Company at the Registered Office at least 7 days before the date of the meeting to enable the management to keep the information readily available at the meeting.

Explanatory statement pursuant to section 102 of the Companies Act, 2013

Item No. 6 & 7. Appointment of Directors

During the year, Mr. B.P. Sangod, GM DIC and Assistant Industries Commissioner was appointed as Nominee Directors of Govt. of Gujarat by the Board on 25.07.2016. He replaced Mr. H.K. Chaudhary.

Ms. D. Thara, IAS became ex-officio Chairperson and Director in terms of Article 128 of the Articles of Association of the Company and appointed by the Board of Directors on 25.07.2016. She replaced Mr. Manoj Aggarwal, IAS Chairman of the Company.

The Company is Govt. Company being subsidiary of Gujarat Industries Development Corporation (GIDC) and registered under Section 8 of the Companies Act, 2013. The resolutions are proposed as a practice of better Corporate Governance.

The Board recommends their appointments.

Except appointees, none of the Directors or Key Managerial personnel or their relatives are considered interested/ concerned in these resolutions.

Item No. 8. Issue of shares

NCT is subsidiary company of GIDC running Common Effluent Treatment Plant and allotting shares to its users/ beneficiaries. The proposed Special Resolution is to facilitate issue of equity shares to Gujarat Industrial Development Corporation (GIDC) in order to maintain the 51% holding of GIDC into NCT.

In terms of provisions of section 42 of Companies Act, 2013 read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, it is necessary to approve the names of the proposed allottees and to issue offer letter. The names as mentioned in the resolution are recorded and they will be offered shares. Accordingly, approval of shareholders are being sought to propose and confirm the names of the proposed allottee i.e. Gujarat Industrial Development Corporation and to issue offer.

Further, basis or justification of price at which offer is made is that offer is made at par which is above the book value of share of the Company.

Following disclosure is produced in compliance with the provisions of Rule 13(2)(d) of Company (Share Capital and Debenture) Rules 2014:

i)	Objects of the issue;	To create capital assets private placement offer is made on preferential basis based on raw water consumption, as stated in NOC/ CCA issued by GPCB subject to Board's approval and subject to the terms and conditions of the Membership agreement.
ii)	The total number of shares or other securities to be issued	It is proposed to issue 726860 equity shares.
iii)	The price or price band at/within which the allotment is proposed	The issue price is Rs. 10/- per share
iv)	Basis on which the price has been arrived at along with the report of registered valuer	The shares proposed to be issued at par at Nominal value which is above the book value of share
v)	Relevant date with reference to which the price has been arrived at;	Not Applicable The shares proposed to be issued at par at Nominal value which is above the book value of share

vi)	The class or classes of persons to whom the allotment is proposed to be made	As per requirement of Article of Association of Company, offer is made to GIDC, to maintain 51% holding of GIDC into NCT.
vii)	Intention of promoters, directors or key managerial personnel to subscribe to the offer;	Promoters, Directors or Key Managerial Personnel are not offered and they will not subscribe except Ms. D. Thara, IAS, VC-MD of GIDC and Chairman of NCT and Nominee directors of GIDC.
viii)	The proposed time within which the allotment shall be completed;	Allotment will be made within 180 days of approval of shareholders.
ix)	The names of proposed allottees and the percentage of the post preferential offer capital that may be held by them	Name: Gujarat Industrial Development Corporation. No. of Shares : 726860 Eq. Shares % of holding of post preferential offer (For These allotment only): 0.84%.
x)	The change in control, if any, in the company that would occur consequent to preferential offer	There will not be any change in control in the management of the Company.
xi)	The number of person to whom allotment on private placement basis have already been made during the year, in the terms of numbers of securities as well as prices	During the FY 2015-16 allotment has been made on 24.02.2016 for 21,78,331 no. of equity shares on face value of Rs. 10/- each and allotment of 34,35,624 no. of equity shares has been made on 10.12.2016.
xii)	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered value	The issue of shares will be for consideration in cheque only.
xiii)	The pre issue and post issue share holding pattern of the company	As per table given below

The pre issue and post issue share holding pattern of the company

Sr.	Category	Pre Issue		Post issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding				
1.	Indian :				
	Individual				
	Bodies corporate	43647140	51.03	44374000	51.45
	Sub Total	43647140		44374000	51.45
2.	Foreign Promoters				
	Sub Total (A)	43647140	51.03	44374000	51.45
B.	Non-Promoters' holding				
1.	Institutional investors				
2.	Non – Institution :				
	Private Corporate Bodies	41677664	48.73	41677664	48.32
	Directors and Relatives	200	0	200	0
	Indian public	202000	0.24	202000	0.23
	Others (Including NRIs)				
	Sub Total (B)	41879864	48.97	41879864	48.55
	GRAND TOTAL	85527004	100.00	86253864	100.00

The Board recommends the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are considered interested/ concerned in the proposed resolutions except Ms. D. Thara, IAS, VC-MD of GIDC and Chairperson of NCT and Nominee director of GIDC.

For Narmada Clean Tech

(Dr. Bharat Jain)
Vice Chairman

(Mr. C.A. Devani)
Director

(Mr. Alok Kumar)
CEO - NCT

Registered Office : Surati Bhagor,
Near Gujarat Gas Office Umarwada Road,
Dist. Bharuch Ankleshwar 393001

Date: 15.12.2016

BOARD'S REPORT

To,
 The Members,
 Narmada Clean Tech

The Directors have pleasure in presenting the 16th ANNUAL REPORT along with audited Financial Statements of the Company for the year ended on 31st March, 2016.

Financial Highlights 2015-16

(Rs. In lacs)

Particulars	As at 31/03/2016	As at 31/03/2015
Service Income including other income	4690.63	4430.31
Less : Expenditure	3187.00	2828.62
Earning before Finance cost, Dep. & Tax	1503.63	1601.69
Less : Depreciation & Prior Year Depreciation	1198.06	1226.45
Earning before Finance cost & Tax	305.57	375.24
Less : Finance Cost	217.03	35.59
Profit / Loss before Tax	88.54	339.65
Less: Prior Period Adjustments	323.90	34.56
Surplus/(Deficit) Before Tax	(235.36)	305.09
Profit / Loss transfer to Balance sheet	(235.36)	305.09

Working and operation of Final Effluent Treatment Plant (FETP) & Conveyance Project:

FETP and conveyance plant is operating since commissioning i.e. 1st December, 2006 and all unit operations are running satisfactorily since then. NCT is having ISO 14001:2004 certifications since December - 2008.

NCT got registered under section 25 of the Companies Act 1956 (section 08, Companies Act 2013)

NCT has consent to operate for 40 MLD.

NCT is setting up a separate conveyance line exclusively for Jhagadia Industrial Estate and it has consent to establish for 35 MLD. After commissioning of this project, total conveyance capacity would be 75 MLD.

To improve process performance further, eco-friendly and more efficient equipment like pressure filter and aspiration aerators are installed.

NCT has framed and implemented strict & strategic monitoring and control policy for pollution control at source.

NCT is proactive towards environmental control.

Service of NEERI had been engaged for assessment of FETP performance and possible upgradation. The report from NEERI states the FETP is adequately designed to treat effluent with quality as per inlet design parameters, i.e. average inlet COD of 1000 mg/l, to marine discharge standards, i.e. upto 500 mg/l COD. For treating additional load, NEERI have suggested to conduct detailed pilot plant trials to investigate this aspect.

The marine discharge standards were revised by MOEF w.e.f. January-2016, the maximum allowable COD limit has been specified at 500 mg/l.

Status of Jhagadia Pipeline Project:

a) Jhagadia Pump House :

This part has been completed, and pumping trials are concluded for pump house performance during July 2016.

b) GRP Pipeline from Jhagadia to Kantiyajal :

The Final Flow test at 35 MLD flow capacity has been completed for this pipeline during October, 2016. The System was charged with effluent and commissioned during November, 2016.

c) Booster Pumping Station at Kantiyajal:

This is ready and has been operated for many days multiple times. It was commissioned during February 2016.

Change in business activities

During the year under review, there is no change in the business activities of the Company.

Material changes and commitment occurred after the end of Financial Year and upto the date of Report

During the year under review following material changes have occurred;

- Ms. D.Thara, IAS, VC & MD of GIDC has been appointed as director by virtue of position and Mr. B.P. Sangod, Assistant Industries Commissioner and General Manager, DIC has been appointed as Nominee director of NCT.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have subsidiaries, Joint Ventures and Associate Companies.

Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

During the year under review, pursuant to provisions of section 186 of the Companies Act, 2013, no guarantee is given or security is provided by the Company in connection with loan provided to others. The Company has given loan to ARAIL, the details of which are as under;

Date	Name of Company/ person	Terms and conditions and duration	Amount of Loan (Rs.)
31.03.16	Ankleshwar Research and Analytical Infrastructure Ltd	Provided as a Working Capital @10% interest p.a.	1,13,67,728/-
Add :	Interest Accrued for F.Y. 2015-16, @10% p.a.		8,28,140/-
		TOTAL	1,21,95,868/-

Share capital

During the year under review, Authorised Share Capital of the Company increased from Rs. 850,000,000 (Rupees eighty five crores) to Rs. 1,100,000,000 (Rupees one hundred and ten crores).

During the year and upto the date of these report, the Company has issued 21,78,331 equity shares and 34,35,624 equity shares after approval of shareholders by way of special resolution and complying with the provisions of the Companies Act, 2013.

Transfer to Investor Education & Protection Fund

As per provisions of Section 125(2) of the Companies Act, 2013 pending Share Application money beyond seven years has to be transferred to Investor Education & Protection Fund.

During the year under review Rs. 2,04,979 has been transferred towards Investor Education and Protection fund.

Corporate Governance

The Company believes in transparency in its dealings and lays emphasis on integrity. The Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its shareholders and other stake holders. Considering this, the Annual Report has made substantial disclosures regarding the functioning of Board, committees of Board and performance of the Company.

Committees of Board of Directors

To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to the Committees of the Board set for the purpose. The following committees are constituted;

A. Executive Committee :

This committee is constituted for taking decisions in various areas such as operations, projects, finance, purchase, administration, monitoring, grievances etc.

The composition of Executive Committee is as under:

1.	Dr. Bharat Jain	Convener
2.	Shri J G Gamit	Member
3.	Dr. P A Joshi	Member
4.	Shri A. A. Panjwani	Member
5.	Shri B S Patel	Member
6.	Shri C A Devani	Member
7.	Gp. Cap. A G Chitre	Member

B. Audit Committee:

The Audit Committee met one time during the year under review. All the recommendations made by the Audit Committee were accepted/ approved by the Board. The composition of Audit Committee is as under.

1.	Dr. P. A. Joshi	Chairman of Committee
2.	Dr. Bharat Jain	Member
3.	Dr. Ranjan Sengupta	Member

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted as per requirements of Section 178 of the Companies Act, 2013. The composition of Nomination and Remuneration Committee is as under;

1.	Mr. A A Panjwani	Chairman of Committee
2.	Dr. P. A. Joshi	Member
3.	Dr. Ranjan Sengupta	Member

D. Share Allotment Committee

The Share Allotment Committee has been formed in the Board Meeting of the Company dt. 19.08.2016. The Purpose of Committee is to allot the shares. The Composition of Share Allotment Committee is as under;

- | | | |
|----|-------------------|---------------------------|
| 1. | Dr. Bharat Jain | Chairman of the Committee |
| 2. | Dr. P.A. Joshi | Member |
| 3. | Mr. A.A. Panjwani | Member |

Internal Auditors

The Company has appointed M/s Surti & Talati Chartered Accountants, Ankleshwar to conduct Internal Audit of the Company for the Financial Year 2016-17.

Directors/ Key Managerial Personnel

Dr. Bharat Jain, Mr. Sanjiv Tyagi and Mr. J.G. Gamit retire by rotation at the forthcoming Annual General Meeting of NCT, who being eligible to offer themselves for re-appointment.

Appointment of Directors

Ms. D.Thara, IAS became ex-officio Chairperson and director w.e.f 22.06.2016 in terms of Article 128 of the Article of Association of the Company. She replaced Mr. Manoj Aggarwal, IAS Chairman of the Company.

Mr. B.P. Sangod, Assistant Industries Commissioner and General Manager, DIC was appointed as Nominee Director w.e.f 01.07.2016 from Government of Gujarat. He replaced Mr. H.K. Chaudhary Nominee Director of the Company.

Appointment of KMPs

Mr. Alok Kumar, has been appointed as Chief Executive Officer (CEO) of the Company w.e.f. 26.08.2015.

Mr. Rajan Mehta has been appointed as Chief Finance Officer (CFO) of the Company w.e.f. 18.01.2016.

Ms. Megha Soni has been appointed as Company Secretary (CS) of the Company w.e.f. 07.01.2016.

The Directors welcome aforesaid appointees on the Board. The Board appreciates and acknowledges the efforts and contributions of outgoing Directors.

Independent Directors

Dr. P A Joshi and Dr. Ranjan Sengupta are Independent Directors on the Board of Directors of the Company. As per requirement of provisions of Section 149(6) of the Companies Act, 2013, declarations of independence have been received from them.

Directors' Appointment and Remuneration Policy

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee the Company has constituted Nomination and Remuneration Committee although Being Section 8 Company, it is not mandatory to form NR Committee. The composition of committee is mentioned under the head committees.

As per Article No. 128 of the Articles of Association of the Company Directors can be nominated by the Gujarat Industrial Development Corporation (GIDC), which will include Vice Chairman and Managing Director of the Corporation and Directors to be nominated by the Govt. of Gujarat, either by the

Department of the Industries or the Industries Commissionerate. Further, Directors can be appointed on the joint recommendation from Industries Association of Ankleshwar, Jhagadia and Panoli from amongst the share holders/ member industries of the Company.

The Company does not have Managing Director or Whole time Director. The Directors do not receive any remuneration from the Company. Independent Directors are paid sitting fees for attending meetings of Board of Directors or any committee of Board.

Board Meetings

As the company falls under section 8 of Companies Act, 2013, the Ministry of Corporate affairs had issued the notification on 5th June, 2015 related to exemptions to section 8 companies.

Pursuant to such notification, relaxation were granted to Section 173 (1) that “The Board of Directors of such companies shall hold at least one meeting within every six calendar months”

Therefore, during the financial year 2015-16 Two Board Meetings were convened and held.

Director’s Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement;

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis.
5. That the directors had laid down internal financial controls to be followed by the Company and such internal financial control are adequate & were operating adequately
6. That 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.

Auditors

The Company has received letter from Comptroller and Auditor General of India (C&AG) for appointment of Statutory Auditor of the Company for the financial year 2015-16.

Pursuant to such letter CAG has regularized the appointment of M/s. Manubhai & Shah, Chartered Accountant, the statutory auditor of the Company for the financial year 2015-16.

Company has also received the letter from CAG on 20th August, 2016 for appointment of Auditor under section 139 of the Companies Act, 2013 for the financial year 2016-17.

CAG has appointed M/s. RKM & Co., Chartered Accountant, Surat as auditor of the company for the financial year 2016-17.

Explanation on Qualifications contained in Independent Auditors Report and Secretarial Audit Report

The Company is subsidiary of GIDC and registered under section 8 of the Companies Act, 2013. It is promoted by GIDC and Industries Associations of Ankleshwar, Jhagadia and Panoli for the purpose of running CETP. The Company has been appointed as Special Purpose Vehicle by the Department of Industrial Policy and Promotion (DIPP), Government of India. The Company is running Final Effluent Treatment Plant (FETP).

As per Article of Association of Company, NCT receives capital commitment charges from the members based on raw water consumption, as stated in NOC/ CCA issued by GPCB and subject to the terms and conditions of the Membership agreement.

The article provides that on receipt of total capital commitment charges (CCC), 70% of CCC will be kept as Interest Free Refundable Deposit and for balance 30% equity shares will be issued as fully paid up equity shares to member industries.

Our response on Basis for qualified opinion, Point No. a) is as follows;

In response to the same, Narmada Clean Tech has held EGM on 05.11.2016 for issue of shares to member industries and alteration in article of association of company to issue the Security Deposit certificate to Member industries for 70% of Capital Commitment Charges in place of Interest Free Refundable Deposit in order to comply with Companies Act, 2013.

Accordingly, the Share Allotment Committee held on 10.12.2016 has passed the resolution for allotment of shares. ***Therefore, no share application money pending in the accounts of Narmada Clean Tech from the said date.***

The Company has also opened the separate bank accounts in the name of NCT – Share Application Money Accounts in order to keep the share application money in the said account.

Our response on Basis for qualified opinion, Point No. b) is as follows;

As no share application money pending in the accounts of company, no default subsisted as per the provisions of section 186(8) of the companies Act, 2013.

Therefore, loan given by the Company to Ankleshwar Research and Analytical Infrastructure Limited is not in the contravention of the provisions of section 186 of the Companies Act, 2013.

The comments of Comptroller and Auditor General of India (C&AG) under section 143 (6) (b) of the Companies Act, 2013 on the Financial Statements of the Company for the year ended 31 March, 2016 have been received. The Management's reply on the comments are given below:

Explanation on comment certificate of Comptroller and Audit General of India

Response to Comment 1:

Income and Expenditure Account

Expenses

Finance Cost (Note No. 24)

Interest Expenses Rs. 2.14 Crore

Gujarat Industrial Development Corporation (GIDC) has granted bridge loan of Rs. 20 Crore at the rate 9.5 percent per annum for 60 MLD project at Jhaghadia Industrial Estate. As per clause 9 of the sanction letter of GIDC Bridge Loan, "GIDC shall pay Maximum Rs. 50.00 Crores in five instalments on submission of progress report with the interest-bearing rate @ 8.25% per annum against the grant / subsidy proposed to be obtained from the Govt. of Gujarat as well as Govt. of India." GIDC has granted bridge loan against delay in receipt of grant from government.

The amount of Bridge loan was received in the months of February and March 2015. The cost of Jhaghadia Pipeline Project as at March 31, 2016 was Rs 120.31 Crores, therefore the major cost of the project was already incurred by the company by the time loan was received. The loan is therefore cannot be considered to have been used for the Jhaghadia Pipeline Project.

In view of the management it is submitted that accounting treatment of interest on loan given by the company is in accordance with accounting policy and Generally accepted accounting principles.

Moreover, Narmada Clean Tech is registered as a section 8 company under the companies act, and it has no profit motive.

Response to Comment 2:

Other Expenses (Note No. 25)

Repairs and Maintenance Rs. 3.72 Crore

The amount of Rs. 1.04 Crores paid during the year by the Company is for compensation of crop that were damaged during testing of pipeline. During the water filling trials conducted in part of the Jhaghadia project i.e. 62 KM Pipeline, in the financial year 2015-16, there were unexpected leakage of water and trials had to be repeated. This was due to the reason that certain sections in the pipeline were left incomplete. This resulted in crop damages to land owners because of which Company had to make payment to land owners to repair the sections of pipeline.

The amount paid as compensation for crop is to repair the assets that were already laid down as per the project plan. Further, there is a prolonged delay in commencement of commercial operation of the Jhaghadia Pipeline Project because of which such repair expenses are to be incurred by the Company.

Considering the nature of expenditure compensation paid for damages to crop cannot be considered as expenditure directly attributable to the project and cannot be capitalized as per Para 9.1 and Para 9.4 of Accounting Standard (AS) 10 "Accounting for Fixed Assets".

In view of the management, the treatment given by the Company in respect of crop compensation expenses is correct.

Moreover, Narmada Clean Tech is registered as a section 8 company under the companies act, and it has no profit motive.

Response to Comment 3:

Non Compliance of Section 619 of the Companies Act, 1956 and Section 139 of the Companies Act, 2013

The comments have been noted by the management. Corrective actions on this subject have been taken from the current financial year 2015-16. The Company has approached Comptroller and Auditor General of India (CAG) for appointment of Statutory Auditor and CAG has regularized thru their letter dt 14th July, 2016; the appointment of the statutory auditor appointed in the Annual General Meeting held on September 24, 2015, for the financial year 2015-2016. Further CAG has also appointed the auditor for next financial year 2016-17.

Secretarial Auditor

As per requirement of Section 204 of the Companies Act, 2013, the Board has appointed M/s. J. J. Gandhi & Co., Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year ended March 31, 2016 is annexed herewith marked as **Annexure D** to this Report.

Risk Management Policy

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The operations and working of the Company can be affected on account of any of the following risk factors;

- Policy of Govt. determining parameters of treatment of Effluents and policy to deal and treat with effluents.
- Policy and direction of Gujarat Pollution Control Board (GPCB) in connection with treatment of effluents.
- Quality and quantum of effluents generated by member industries and self discipline to adhere to directed norms.
- Any accident, overflow or leakage in the onshore and offshore pipe line transmitting effluents.

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2015 is as per **Annexure A**.

Related Parties Transactions

The particulars of transactions or contracts entered or arrangements made with related parties pursuant to provisions of section 188 of the Companies Act, 2013 is provided in **Annexure B** (in the format AOC2) and is attached to this Report.

Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is provided in **Annexure C** (in the format MGT9) and is attached to this Report.

Corporate Social Responsibility (CSR)

Even though CSR is not mandatory to the Company, but the Company voluntarily spend some amount and contribute for the benefit and development of society.

Significant/ material order passed by the Regulators/ Courts

Company Law Board, New Delhi Bench had issued the order on 04.01.2016, for extension of time for repayment to the deposit holders of the Company. The repayment terms, to such deposit holders is, to repay at the time of closure of Unit.

Disclosure under the Sexual Harassment of Women at workplace (Prevention Of, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Acknowledgments

The Board acknowledges the continuous support and guidance provided by the Ministry of Commerce and Industry, Govt. of India, Govt. of Gujarat, GIDC, GPCB, Industries Associations of Ankleshwar, Jhagadia & Panoli and shareholders of the Company. The Board expresses its thanks to the employees for their efforts.

Place: Gandhinagar

Date: 16.12.2016

On behalf of the Board

**Dr. Bharat Jain
Vice Chairman
(DIN - 02199751)**

Form MGT- 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2016

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. Registration and other details

I)	CIN:-	U40101GJ2000NPL037236
II)	Registration Date	24/01/2000
III)	Name of the Company	Narmada Clean Tech
IV)	Category / Sub Category of the Company	Indian-Non Government Company
V)	Address Of The Registered Office And Contact Details	Regd. Office - Surati Bhagor, Near Gujarat Gas Office Umarwada Road, Dist. Bharuch Ankleshwar 393001
VI)	Whether listed company	Unlisted Company
VII)	Name, address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. Principal business activities of the company

Sr. No.	Name and Description of main products/ service	NIC code of the product/ service	% to total turnover of the company
1	Running of Final Effluent Treatment Plant (FETP)		100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Gujarat Industrial Development Corporation	Not applicable	Holding company	51.16%	2(46)

IV. Share Holding Pattern (Equity share capital breakup as percentage of total equity)
i) Category wise Share Holding

Category of Shareholders	No of shares held at beginning of the year				No of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp. (GIDC)	--	41995000	41995000	52.55	--	41995000	41995000	51.16	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub – total (A)(1)	--	41995000	41995000	52.55	--	41995000	41995000	51.16	--
2. Foreign									
a) NRIs Individuals	--	--	--	--	--	--	--	--	--
b) other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
Sub – total (A)(2)	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter	--			52.55	--			51.16	--
A = (A)(1) + (A)(2)		41995000	41995000			41995000	41995000		
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt.(s)	--	--	--	--	--	--	--	--	--
d) states Govt.(s)	--	--	--	--	--	--	--	--	--
(e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub Total (B)(1)	--	--	--	--	--	--	--	--	--

2. Non Institutions									
a) Bodies Corp.									
i) Indian	--	37917349	37917349	47.45	0.42	40095680	40095680	48.84	1.39
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	--	700	700	00.00		700	700	00.00	--
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	--								
c) others (specify)	--	--	--	--	--	--	--	--	--
Sub Total (B)(2)	--	37918049	37918049	47.45	0.42	40096380	40096380	48.84	1.39
Total public Shareholding (B) = (B)(1) + (B)(2)	--	37918049	37918049	47.45	0.42	40096380	40096380	48.84	1.39
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	--	79913049	79913049	100	0.42	82091380	82091380	100	1.39

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gujarat Industrial Development Corporation	41995000	52.55	NIL	41995000	51.16	NIL	NIL
	Total	41995000	52.55	NIL	41995000	51.16	NIL	NIL

(iii) Change in Promoters' Shareholding (Please Specify, if there is no change) (No Change during the year)

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
	At the beginning of the year	41995000	52.55	41995000	51.16
	Date wise Increase/ decrease in promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	41995000	52.55	41995000	51.16

(iv) Shareholding Pattern of top Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sr. No	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	United Phosphorus Ltd.	3435070	4.18	3435070	4.18
2	Vardhman Acrylics Ltd.	1647525	2.01	1647525	2.01
3	S. Kumar Nationwide Limited	1510000	1.84	1510000	1.84
4	Heubach Colour Ltd.	1988681	2.42	1988681	2.42
5	Shri Ram Alkali & Chemicals (A Davison of DCM Shriram Consolidated Ltd.)	1132134	1.38	1132134	1.38
6	Lanxess India Pvt. Ltd	1147200	1.40	1147200	1.40
7	Lupin Limited.	1145190	1.40	1145190	1.40
8	Kanoria Chemicals & Inds. Ltd.	822542	1.00	822542	1.00
9	Atul Ltd. – Aromatics Division	715272	0.87	715272	0.87
10	Nitrex Chemicals India Ltd.	892320	1.09	892320	1.09
	Total	14435934	17.59	14434934	17.59
	Date wise Increase / Decrease in Promoters Share holding during the year Specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	--	--	--	--
	At the end of the year (or on the date of separation, if separated during the year)	-	-	--	--

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	• Baldevbhai Somdas Patel	100	0.0	100	0.0
	• Ashok Panjwani	100	0.0	100	0.0
	Date wise Increase/ Decrease in Share holding during the year Specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	--	--	--	--
	Increase	--	--	--	--
	Decrease	--	--	--	--
	At the End of the year	200	0.0	200	0.0

(V) Indebtedness –**Indebtedness of the company including interest outstanding/ accrued but not due for payment**

	Total Secured Loans excluding deposits	Unsecured Loans Total	Unsecured Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	23,72,52,432	30,60,55,578	2,85,000	54,35,93,010
ii) Interest due but not paid	17,82,877	-		17,82,877
iii) Interest accrued but not due	-	-		-
Total (I + ii + iii)	23,90,35,309	30,60,55,578	2,85,000	54,53,75,887
Change in Indebtedness during the financial year		-		-
Addition	30,18,96,126	10,45,71,400	11,75,000	40,76,42,526
Reduction	34,33,65,530	9,21,64,116		43,55,29,646
Net Change (Addition-Reduction)	-4,14,69,405	1,24,07,284	11,75,000	-2,78,87,121
Indebtedness at the end of the financial year		-		-
I) Principal Amount	19,57,83,027	31,84,62,862	14,60,000	51,57,05,889
ii) Interest due but not paid	2,08,34,932	-		2,08,34,932
iii) Interest accrued but not due	-	-		-
Total (I + ii + iii)	21,66,17,959	31,84,62,862	14,60,000	53,65,40,821

(VI) Remuneration of Directors and Key Managerial Personnel – Not Applicable since the Company does not have Managing Director or Whole-time Director.

Sr. No	Particular of Remuneration	Name of MD/ WTD/ Manager				Total Amount Per Annum
	Name of MD/ WTD/ Manager					
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	-	-	-	-	-
2	Stocks Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- As % of profit	-	-	-	-	-
	- Other , specify	-	-	-	-	-
5	Others, Please specify	-	-	-	-	-
	• Tax Deducted at Sources	-	-	-	-	-
	• Professional Tax	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other Directors – As per Annexure

SI No	Particular of Remuneration	Name of Directors					Total Amount
	1.. Independent Directors						
	<ul style="list-style-type: none"> • Fees for attending Board committee meetings • Commission • Other, Please specify 						
	Total (1)						
	2. Other Non-Executive Directors						
	<ul style="list-style-type: none"> • Fees for attending board committee meetings • Commission • Other, Please specify Net Salary 						
	Total (2)						
	Total (B) = (1+2)						
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	-	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

SI No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO – Mr. Keyur Desai	CEO – Mr. Alok Kumar	CS	CFO	Total
1.	Gross Salary	14,13,349	15,22,869	1,11,390	2,66,110	33,13,718
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	14,13,349	15,22,869	1,11,390	2,66,110	33,13,718
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	--	--	--	--	--
2.	Stock Option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission	--	--	--	--	--
	- As % of profit	--	--	--	--	--
	- Others, specify	--	--	--	--	--
5	Other, Please specify	--	--	--	--	--
	Total	14,13,349	15,22,869	1,11,390	2,66,110	33,13,718

VII Penalties / Punishment / Compounding Offences

Type	Section of the Companies Act	Brief Description	Details of penalty/ Punishment / Compounding fees imposed	Authority (RD/ NCLT/ court)	Appeal made if any (give Details)
A. Company					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. Directors					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. Other officers in default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Place: Gandhinagar
Date: 16.12.2016

For Narmada Clean Tech

(Dr. Bharat Jain)
Vice Chairman
(DIN - 02199751)

ANNEXURE A

The Report as per Rule 8 of the Companies (Accounts) Rules 2014.

A. Conservation of Energy

1.	the steps taken or impact on conservation of energy	} Implementation of Triton Aerators replacing blowers for better efficiency & energy conservation
2.	the steps taken by the company for utilizing alternate sources of energy	
3.	the capital investment on energy conservation equipments	During the year under review, no investment on energy conservation equipment has been made.

B. Technology absorption

1.	the efforts made towards technology absorption	} Implementation Filter Presses replacing decanters for better solide content in dewatered sludge.
2.	the benefits derived like product improvement, cost reduction, product development or import substitution	
3.	in case of imported technology (imported during last three years reckoned from the beginning of the financial year) <ul style="list-style-type: none"> ➤ The details of technology imported ➤ The year of import ➤ Whether technology has been fully absorbed ➤ If not fully absorbed. Areas where absorption has not taken place, and the reasons thereof. 	---NIL---
4.	the expenditure incurred on Research and Development	---NIL---

C. Foreign exchange earnings and Outgo

During the year, foreign exchange earnings was Rs. NIL and foreign exchange outgo was Rs. NIL.

**Annexure to Boards' Report
Form No. AOC-2**

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

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

1. Details of contracts or arrangements or transactions **not at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any	Date of special resolution as per first proviso to section 188

2. Details of material contracts or arrangement or transactions **at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any
Heubach Colour Pvt. Ltd –Directors	Service Provided		74,498,800/-		-
GEMI –Directors	Service Taken		7,168,480/-		-
Suyog Dye Chemie Pvt. Ltd Suyog Life Sciences Pvt. Ltd –Director	Service Provided		797,794/-		-
Panoli Enviro Technology Ltd –Directors	Service Provided		3,992,422/-		-
Enviro Technology Ltd –Directors	Service Provided		1,54,45,457/-		-
ARAIL –Directors	Purchase / Service Taken		1,364,381/-		-
BEIL –Directors	Service Taken		21,011,468/-		-
Vardhman Acrylics Ltd –Director	Service Provided		6,708,798/-		-

Annexure Remuneration to other Directors

Sr No	Particular of Remuneration	Name of Directors					
		SHRI B.B. SWAIN, IAS, CHAIRMAN	SHRI MANOJ AGGARWAL, IAS-CHAIRMAN	DR. BHARAT JAIN DIRECTOR V.C.	SHRI J C CHUDASAMA, IAS	SHRI G. R. RAGHUVENDRA RAO - DIRECTOR	SHRI SANJIV TYAGI, IFS DIRECTOR
1	1.. Independent Directors						
	- Fees for attending Board committee meetings						
	- Commission						
	- Other, Please specify - INCIDENTAL CHARGES						
	Total (1)	0	0	0	0	0	0
2	2. Other Non-Executive Directors						
	- Fees for attending board committee meetings						
	- Commission						
	- Other, Please specify - INCIDENTAL CHARGES		6000	39000		3000	6000
	Total (2)	0	6000	39000	0	3000	6000
	Total (B) = (1+2)	0	6000	39000	0	3000	6000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

Sr No	Particular of Remuneration	Name of Directors					
		SHRI J. G. GAMIT DIRECTOR	SHRI H K CHAUDHRI, DIRECTOR	DR. (PROF.) P.A. JOSHI, DIRECTOR	DR. RANJAN SENGUPTA, DIRECTOR	SHRI RAVI KAPOOR DIRECTOR	SHRI A.A.PANJWANI VICE CHAIRMAN
1	1.. Independent Directors						
	- Fees for attending Board committee meetings			45000	10000		
	- Commission						
	- Other, Please specify - INCIDENTAL CHARGES			27000	6000		
	Total (1)	0	0	72000	16000	0	0
2	2. Other Non-Executive Directors						
	- Fees for attending board committee meetings						
	- Commission						
	- Other, Please specify - INCIDENTAL CHARGES	18000					33000
	Total (2)	18000	0	0	0	0	33000
	Total (B) = (1+2)	18000	0	72000	16000	0	33000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

Sr No	Particular of Remuneration	Name of Directors					TOTAL
		SHRI C A DEVAI DIRECTOR	SHRI B.S.PATEL DIRECTOR	GP. CAPT. (RETD) A.G. CHITRE, DIRECTOR	SHRI B.K.CHOUDHARY DIRECTOR	SHRI MUKESH JOBANPUTRA DIRECTOR	
	1.. Independent Directors						
	- Fees for attending Board committee meetings						55000
	- Commission						0
	- Other, Please specify - INCIDENTAL CHARGES						33000
	Total (1)	0	0	0	0	0	88000
	2. Other Non-Executive Directors						
	- Fees for attending board committee meetings						
	- Commission						
2	- Other, Please specify - INCIDENTAL CHARGES	27000	24000	24000	6000		186000
	Total (2)	27000	24000	24000	6000	0	186000
	Total (B) = (1+2)	27000	24000	24000	6000	0	274000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						
	1.. Independent Directors						

**Secretarial Audit Report
(For the Financial year ended on 31st March, 2016)**

[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,
Narmada Clean Tech
Surti Bhagor Nr. Gujarat Gas Office,
Umarwada Road, Ankleshwar
Gujarat - 393001

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Narmada Clean Tech** (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 the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, 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 the Company, for the financial year ended on 31st March, 2016, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - The shares of the Company are in physical mode and not in demat.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company being unlisted company.

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

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

(ii) The Company being unlisted company the requirements of Listing Agreements and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above except to the extent mentioned herein below;

The Company is accepting Capital Commitment Charges (CCC) based on raw water consumption of member industries towards equity capital and working capital expenditures. The Capital Commitment Charges are divided into Interest Free Refundable Deposits (IFRD) (70% of CCC) and 30% of CCC into Share Application Money. In respect of the Share Application Money and CCC, the Company has not complied with the provisions of Section 42(6) as well as Sections 73 to 76A of the Companies Act, 2013 as mentioned hereunder;

- i. Share Application Money received is not kept in a separate bank account.
- ii. The Equity Shares have not been allotted within 60 days from the date of receipt of the Share Application Money.
- iii. Share Application Money along with interest have not been repaid.
- iv. As per Rule 2(1)(c)(vii) of the Companies (Acceptance of Deposits) Rules, 2014, share application money not refunded to the applicant within fifteen days from the date of completion of sixty days of receipt of application money, shall be treated as a Deposit. Consequently, the company is required to comply with the provisions of the Section 73 to 76A of the Act and rules framed thereunder for the said deposits.
- v. The Company is in default in the repayment of Deposits, as per para (iv) above and therefore the company cannot give any loan to any person or body corporate till such default is subsisting as per the provisions of section 186(8) of the Act. Hence, the loan given by the Company to Ankleshwar Research and Analytical Infrastructure Limited is in contravention of the provisions of section 186 of the Act.

Further, as per representation of management, considering Common Effluent Treatment Plant (CETP) and its process the following Acts are specifically applicable to the Company.

1. The Environment (Protection) Act, 1986;
2. The Air (Prevention and Control of Pollution) Act, 1981;
3. The Water (Prevention and Control of Pollution) Act, 1974

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There is no Executive Director but the Company has Chief Executive Officer (CEO) as Key Managerial Personnel. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

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

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

**for J. J. Gandhi & Co.
Practising Company Secretaries**

**(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515**

**Place: Vadodara
Date: 12th Sept., 2016**

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

Annexure to Secretarial Audit Report

Date: 12th Sept., 2016

To,
The Members,
Narmada Clean Tech
Surti Bhagor Nr. Gujarat Gas Office,
Umarwada Road, Ankleshwar
Gujarat - 393001

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the 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 the practices, we followed provided 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. Wherever 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 J. J. Gandhi & Co.
Practising Company Secretaries

(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515

INDEPENDENT AUDITORS' REPORT

To
**The Members of
Narmada Clean Tech
(Formerly Narmada Clean Tech Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of **Narmada Clean Tech** (Formerly Narmada Clean Tech Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Income & Expenditure Account, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- a) As per the Company's policy, the amount of Rs. 15,422,847/- and Rs. 2,724,720 /- is outstanding as at March 31, 2016 collected from members, have been collected in respect of Share Application Money and Capital Commitment Charges respectively. The amount received is against the issue of Equity Shares of the Company. As per section 42(6) of the Act, the Company shall allot Equity Shares within sixty days from the date of receipt of Application Money, the monies received shall be kept in a Separate Bank Account in a Schedule Bank and shall not be used for any other purpose other than adjustment against allotment of Equity Shares or repayment of monies in case the company is unable to allot the Equity Shares. Further, the Company is liable to repay the Share Application Money with interest at the rate of twelve per cent per annum from the expiry of sixtieth day in case company is unable to allot the equity shares. Further as per Sections 73 to 76A of the Act and Rule 2(1)(c)(vii) of The Companies (Acceptance of Deposits) Rules, 2014 ("Deposits Rules"), Share Application Money not refunded to the subscribers within fifteen days from the date of completion of sixty days of receipt of application money, shall be treated as a deposit.

In respect of the Share Application Money and Capital Commitment Charges, the company has not complied with the provisions of Section 42 (6) as well as Sections 73 to 76A of the Companies Act, 2013 as mentioned hereunder:

- i. Share Application Money received is not kept in a separate bank account;
 - ii. The Equity Shares have not been allotted within sixty days from the date of receipt of the Share Application Money;
 - iii. Share Application Money along with interest have not been repaid.
 - iv. Share Application Money not refunded to the subscribers within fifteen days from the date of completion of sixty days of receipt of application money shall be treated as deposit as per Deposit Rules. Company not being an eligible company to collect deposit as defined under the provisions of Section 76 of the Act, cannot continue to keep the Share Application Money beyond the specified period.
- b) During the year the Company has given loan of Rs. 3,158,343 to Ankleshwar Research and Analytical Infrastructure Limited aggregating to Rs. 12,195,868 as at March 31, 2016. (Refer Note No. 13.1 of the Financial Statements). The Company is in default in the repayment of deposits, as mentioned in para (a)(iv) above and therefore the company cannot give any loan to any person or body corporate till such default is subsisting as per the provisions of section 186 (8) of the Act. Hence the loan given by the Company is in contravention of the provisions of section 186 of the Act.

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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its excess of expenditure over income and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to

- a) Note 34 to the financial statements, regarding pending reconciliation of physically verified assets with the books of account and consequential adjustment to be made, if any on completion of reconciliation.
- b) Note 35 to the financial statements, regarding not providing accounting treatment in current year for the damages to fixed assets lying at Ankleshwar Research and Analytical Infrastructure Limited on account of incident of fire occurred during the year, due to the reason that management is of the view that assets can be reused and repaired and insurance claim is yet to be finalised.
- c) Note 36 to the financial statements, regarding delay in commissioning of Jhaghadia Pipeline Project (JPP) for the reasons stated therein.

Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the said Order is not applicable to the Company as the Company has obtained license to operate under Section 8 of the Act.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, 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 effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Income & Expenditure Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”; and
 - (g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been delay in transferring amounts of Rs. 204,979, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by section 143 (5) of the Act, we give in “**Annexure B**” a report on the directions and sub directions issued by Comptroller and Auditor General of India.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

Place: Gandhinagar

(G R Parmar)

Date: 20/09/2016

Partner

Membership No.121462

ANNEXURE – A

TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report on Financial Statements of Narmada Clean Tech (Formerly known as Narmada Clean Tech Limited) of even date)

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

We were engaged to audit the internal financial controls over financial reporting of **Narmada Clean Tech (Formerly known as Narmada Clean Tech Limited) ("the Company")**, as of 31 March 2016 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 Company's management 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed Appendices risk. 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. 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 ICAI.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

Place: Gandhinagar

Date: 20/09/2016

(G R Parmar)
Partner
Membership No.121462

**ANNEXURE – B
TO INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" section of our report on Financial Statements of Narmada Clean Tech (Formerly known as Narmada Clean Tech Limited) of even date)

Sr. No.	Directions / Sub-Directions Issued by Comptroller and Auditor General of India	Response
(1)	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to the information and explanation give to us and on the basis of our examination of the records of the Company, we report that the company has clear title / lease deeds for freehold and leasehold respectively except in respect of one leasehold land, situated at Plot No. 904/1, Jaghadia Industrial Estate, admeasuring 280,000 Sq. Mtrs. (Tentative), having book value of Rs. 85,200,000 included in Capital Work in Progress as at March 31, 2016, for which company does not have registered lease agreement. (Refer Note No. 11 of the Financial Statements)
(2)	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	On the basis of our examination of the records of the Company, there are two cases of waiver of interest on delayed payment amounting to Rs. 1,815,575 and one case of waiver of Operation and Maintenance Charges of Rs. 2,855,541 during the financial year 2015-16 based on approved policy by the Board of Directors of the Company. The above mentioned write-offs have been charged to Income and Expenditure Account.
(3)	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	According to the information and explanation give to us and on the basis of our examination of the records of the Company, the Company has maintained proper records for inventories lying with third parties. The Company has not received any assets as gift / grants from government or any other authorities. However, the company has received financial assistance considered as Grants from Government for various projects. In this regards company has maintained proper records.

**For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136**

Place: Gandhinagar

(G R Parmar)

Partner

Date: 20/09/2016

Membership No.121462



Confidential
By Regd. Post

कार्यालय
प्रधान महालेखाकार (आ.एवं रा.क्षे.ले.प.), गुजरात
**Office of the
Principal Accountant General (E&RSA), Gujarat**

No. ES-I/A/cs/NCT/2015-16/0w1873
14/12/16

सेवा मे,
प्रबंध निदेशक,
Narmada Clean Tech,
Surati Bhagor, Nr. Gujarat Gas Office, Umarwada Road,
Ankleshwar-393001, Dist. Bharuch
Gujarat.

Sub: - Comment of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Narmada Clean Tech for the year ended 31 March 2016

Sir,

Please find enclosed '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 Narmada Clean Tech for the year ended 31 March 2016 for being placed before the Annual General Meeting of the Company.

Under Section 143(6)(b) of the Companies Act, 2013, the comments of the Comptroller and Auditor General of India are required to be placed before the Annual General Meeting in the same manner and at the same time as the Auditor's Report of the Company. The date of placing the comments of the Comptroller and Auditor General of India before the Annual General Meeting may please be intimated to this office.

Six copies of the printed accounts may please be sent to this office for our use and record.

Receipt of this letter with its enclosures may please be acknowledged.

Yours faithfully,


Dy. Accountant General (ES-I)

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 NARMADA CLEAN TECH FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Narmada Clean Tech for the year ended 31 March 2016 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 the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 September 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Narmada Clean Tech for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

(A) Comments on Profitability

1. Income and Expenditure Account

Expenses

Finance Cost (Note No. 24)

Interest Expenses ₹ 2.14 crore

The above includes interest of ₹ 1.91 crore (J.V. No. 1610 March 2016) paid to Gujarat Industrial Development Corporation (GIDC) for the bridge loan availed by the Company amounting to ₹ 20 crore at the rate of 9.5 *per cent* per annum for the 60 MLD (million litre per day) project at Jhagadia Industrial Estate.

This was in violation of the Significant Accounting Policy No. 4(e) as well as para 10 of Accounting Standard-16 issued by Institute of Chartered Accountants of India. Thus, debiting the interest expense of ₹ 1.91 crore to Income and Expenditure Account has resulted in overstatement of Loss and understatement of Capital Work in Progress by ₹ 1.91 crore.

2. Other Expense (Note No. 25)

Repairs and Maintenance ₹ 3.72 crore


The above includes an amount of ₹ 1.04 crore paid towards crop and land compensation for the 60 MLD (million litre per day) project at Jhagadia Industrial

Estate which is under progress. This has resulted in overstatement of Loss and understatement of Capital Work in Progress by ₹ 1.04 crore.

3. Non compliance of Section 619 of the Companies Act, 1956 and Section 139 of the Companies Act, 2013

As at the end of the Financial years 2008-09, 2009-10, 2011-12, 2012-13, 2013-14 and 2014-15, the shares held by Gujarat Industrial Development Corporation (Government of Gujarat Undertaking) in the Company were more than 51 *per cent*, therefore as per Section 619(B)¹, provisions of Section 619 were applicable to the Company. However, the Company did not approach the Office of Comptroller and Auditor General of India for appointment of auditor under Section 619(2)² of the Companies Act, 1956 for the above years. This has resulted in violation of Sections 619(2), (3), (4) and (5) of the Companies Act, 1956 and corresponding Sections 139(5) and 143 of the Companies Act, 2013.

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



(D. P. Yadav)
Accountant General (E&RSA), Gujarat

Place: Ahmedabad

Date: 14-12-2016

¹ May be read as Section 2(45) of the Companies Act, 2013 for the year 2014-15 and onwards

² May be read as Section 139 (5) of the Companies Act, 2013 for the year 2014-15 and onwards

Narmada Clean Tech
(Formerly Known as Narmada Clean Tech Limited)
Balance Sheet As At March 31, 2016

Amount in Rs.

Particulars	Note No.	As At March 31,	
		2016	2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a Share Capital	2	8140,34,216	7922,50,916
b Reserves & Surplus	3	16387,74,851	16577,34,132
		24528,09,067	24499,85,048
2 Share Application Money Pending Allotment			
		154,22,847	-
3 Non Current Liabilities			
a Long Term Borrowings	4	3184,62,863	3062,85,293
b Other Long Term Liabilities	5	66,67,380	276,22,439
c Long Term Provisions	6	35,02,901	32,74,856
		3286,33,144	3371,82,588
4 Current Liabilities			
a Short Term Borrowings	7	2222,94,932	2387,33,571
b Trade Payable	8		
- Total outstanding dues of micro enterprises and small enterprises		82,433	88,152
- Total outstanding dues of creditors other than micro enterprises and small enterprises		221,23,307	221,23,744
c Other Current Liabilities	9		
- Total outstanding dues of micro enterprises and small enterprises		63,95,971	33,06,345
- Total outstanding dues of creditors other than micro enterprises and small enterprises		123,39,752	287,50,176
d Short Term Provision	10	3,78,087	2,97,535
		2636,14,482	2932,99,523
Total		30604,79,540	30804,67,159
II ASSETS			
1 Non Current Assets			
a Fixed Assets:	11		
i Tangible Assets		14386,76,711	13076,34,320
ii Capital Work in Progress		12854,93,070	13130,34,654
		27241,69,781	26206,68,974
b Investments	12	6,23,252	7,04,198
c Long Term Loans and Advances	13	121,95,868	98,77,805
d Other Non Current Assets	14	550,69,188	395,67,232
		27920,58,089	26708,18,209
2 Current Assets			
a Inventories	15	140,55,080	133,15,780
b Trade Receivables	16	514,89,889	538,18,858
c Cash and Bank Balances	17	1870,26,252	3248,75,441
d Short-Term Loans and Advances	18	118,33,767	144,64,213
e Other Current Assets	19	40,16,463	31,74,658
		2684,21,451	4096,48,950
Total		30604,79,540	30804,67,159
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 40		

The notes referred to above form an integral part of the financial statements.

As per our audit report of even date attached

Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.106041W/W100136

For and on behalf of the Board

G. R. Parmar
Partner
Membership No. : 121462

Dr. B. P. Jain
Vice Chairman
DIN. 02199751

Dr. P. A. Joshi
Director
DIN. 02281321

A A Panjwani
Director
DIN. 00200220

Alok Kumar
Chief Executive Officer
PAN. ADWPK0030F

Rajan Mehta
Chief Financial Officer
PAN. AFBPM7012G

Megha Soni
Company Secretary
PAN. ARZPC1776H

Place : Gandhinagar
Date : 20-09-2016

Place : Gandhinagar
Date : 20-09-2016

Narmada Clean Tech
(Formerly Known as Narmada Clean Tech Limited)
Income and Expenditure Account for the Year ended March 31, 2016

Amount in Rs.

Particulars	Note No.	For the Year Ended March 31,	
		2016	2015
I Revenue from Operations	20	4434,53,987	4204,75,694
Less: Excise Duty		-	-
		4434,53,987	4204,75,694
II Other Income	21	256,09,020	225,55,159
III Total Revenue (I + II)		4690,63,007	4430,30,853
IV Expenses			
a Cost of Materials Consumed	22	163,99,199	160,66,572
b Employee Benefits Expense	23	437,00,176	414,26,331
c Finance Cost	24	217,02,630	35,58,600
d Depreciation and Amortisation	11	1198,05,548	1226,45,408
e Other Expenses	25	2586,01,067	2253,68,627
V Total Expenses		4602,08,620	4090,65,538
VI Surplus / (Deficit) Before exceptional and extraordinary items and tax		88,54,387	339,65,315
VII Prior Period Items	26	323,89,762	34,56,160
VI Surplus / (Deficit) Before tax		(235,35,375)	305,09,155
VII Tax Expenses		-	-
VIII Surplus / (Deficit) for the year		(235,35,375)	305,09,155
Earning / (Loss) Per Equity Share	27		
Basic		(0.29)	0.38
Diluted		(0.29)	0.37
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 40		

The notes referred to above form an integral part of the financial statements.

As per our audit report of even date attached

Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.106041W/W100136

For and on behalf of the Board

G. R. Parmar
Partner
Membership No. : 121462

Dr. B. P. Jain
Vice Chairman
DIN. 02199751

Dr. P. A. Joshi
Director
DIN. 02281321

A A Panjwani
Director
DIN. 00200220

Alok Kumar
Chief Executive Officer
PAN. ADWPK0030F

Rajan Mehta
Chief Financial Officer
PAN. AFBPM7012G

Megha Soni
Company Secretary
PAN. ARZPC1776H

Place : Gandhinagar
Date : 20-09-2016

Place : Gandhinagar
Date : 20-09-2016

Narmada Clean Tech
(Formerly Known as Narmada Clean Tech Limited)
Cash Flow Statement for the year ended on 31st March, 2016

Sr No	Particulars	Amount in Rs.	
		For the year ended on March 31st, 2016	For the year ended on March 31st, 2015
A	Cash flow from Operating Activities		
	Surplus / (Deficit) for the year	(235,35,375)	305,09,155
	Adjustments for:		
	Interest Income	(150,14,652)	(93,86,395)
	Depreciation and Amortisation	1198,05,548	1226,45,408
	Grant Income	(4,23,906)	(4,24,087)
	Profit on Sale of Asset	(9,146)	(69,372)
	Interest and Finance charges	217,02,630	35,58,600
	Prior Period Expenses	323,89,762	34,56,160
	Provision for Gratuity	1,65,757	(19,68,560)
	Provision for Leave Encashment	2,31,064	10,01,657
	Provision for Supper Annuation	(88,224)	(10,16,721)
	Provision for Diminution in value of Investment	80,946	2,95,802
	Provision for Obsolete Inventory	1,69,424	(3,48,074)
	Reversal of Provision for Doubtful Debt	(62,08,220)	(126,75,305)
	Provision for doubtful debt	48,01,614	1,11,595
	Operating Profit before Working Capital Changes	1340,67,221	1356,89,863
	Movements in Working Capital:		
	Decrease / (Increase) in Inventories	(9,08,725)	34,88,173
	Decrease / (Increase) in Trade Receivables	37,35,575	32,49,722
	Decrease / (Increase) in Loans & Advances	3,12,383	51,46,575
	Decrease / (Increase) in Other Assets	(85,36,194)	(30,56,427)
	(Decrease) / Increase in Trade Payables	(6,156)	1,90,012
	(Decrease) / Increase in Others Liabilities	(342,75,857)	239,64,195
	Cash generated from Operations	943,88,248	1686,72,113
	Direct Taxes Paid	(78,07,566)	(32,03,425)
	Net Cash Used In Operating Activities - A	865,80,682	1654,68,688
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets (Including Capital WIP and Capital Advances)	(2557,02,114)	(3815,72,295)
	Proceed for Sale of Assets	15,144	1,50,345
	Interest	150,14,652	103,28,991
	Net Cash Used In Investing Activities - B	(2406,72,318)	(3710,92,959)
C	Cash Flow from Financing Activities		
	Interest and Finance Charges	(26,50,575)	(35,58,600)
	Receipt Of Government Grant	50,00,000	1293,69,227
	Proceeds from Long Term Borrowings	537,43,701	124,93,196
	(Repayment of) Long Term Borrowings	(43,59,985)	(391,15,271)
	Proceeds from Short Term Borrowings	11,75,000	7130,01,544
	(Repayment of) Short Term Borrowings	(366,65,694)	(4879,23,284)
	Net Cash from Financing Activities - C	162,42,447	3242,66,812
	Net (Decrease)/Increase in Cash & Cash Equivalent (A+B+C)	(1378,49,189)	1186,42,541
	Cash & Cash Equivalents as at beginning of the Year	3248,75,441	2062,32,900
	Cash & Cash Equivalents as at End of the Year	1870,26,252	3248,75,441

Narmada Clean Tech
(Formerly Known as Narmada Clean Tech Limited)
Cash Flow Statement for the year ended on 31st March, 2016

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on 'Cash Flow Statements' as notified under the Companies (Accounting Standard) Rules, 2006.

Components of Cash and Cash equivalents.	Amount in Rs.	
Particulars	2015-16	2014-15
Cash on hand	73,805	68,447
Balance with banks:		
In Current Account	310,02,757	722,14,645
In working capital account	44,46,688	-
In Fixed Term Deposit Account	1515,03,002	2525,92,349
Cash and Cash equivalents closing balance as per Cash Flow	1870,26,252	3248,75,441

3 Figures in bracket indicates cash outflows.

4 Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's classification.

Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.106041W/W100136

For and on behalf of the Board

G. R. Parmar
Partner
Membership No. : 121462

Dr. B. P. Jain
Vice Chairman
DIN. 02199751

Dr. P. A. Joshi
Director
DIN. 02281321

A A Panjwani
Director
DIN. 00200220

Alok Kumar
Chief Executive Officer
PAN. ADWPK0030F

Rajan Mehta
Chief Financial Officer
PAN. AFBPM7012G

Megha Soni
Company Secretary
PAN. ARZPC1776H

Place : Gandhinagar
Date : 20-09-2016

Place : Gandhinagar
Date : 20-09-2016

Narmada Clean Tech

Notes to the Financial Statements for the year ended March 31, 2016

Note No. 1: Significant Accounting Policies

1. Background of the Company

Narmada Clean Tech (“the Company” or “NCT”) is registered as public limited company under the Companies Act, 2013. The Company has obtained license under Section 8 of the Companies Act, 2013 dated August 30, 2013. The Company is subsidiary of Gujarat Industrial Development Corporation (GIDC). GIDC is a corporation setup under the Gujarat Industrial Development Act, 1962. NCT is jointly promoted by Member Industries of Ankleshwar, Jhagadia and Panoli Industrial Estates.

The main object of the Company is to receive treated industrial effluent from Ankleshwar, Jhagadia & Panoli Industrial Estates, through effluent carrying network, which is developed, operated & maintained by NAA/GIDC and to polish it further at Final Effluent Treatment Plant (FETP) upto marine standards and then to convey deep into the sea with the help of 43.6 km onshore and 9.3 km offshore pipelines through scientifically designed diffuser at marine outfall point, which is identified by NIO where instantaneous dispersion and tremendous dilution is available.

The present consent to operate for FETP operating at village Piraman is 40 MLD. The new conveyance line from Jhagadia to Kantiyajal is being laid having consent to establish for 35 MLD.

NCT has been empowered by Gujarat Pollution Control Board (GPCB) and GIDC to monitor the quality and quantity of effluent being discharged by its member industries into the effluent carrying network leading to NCT. NCT has installed flow measuring devices for quantity measurement and set up a monitoring cell to monitor the quality. The member industry has to treat its trade effluent upto the norms stipulated by GPCB to them and thereafter to dispose to the FETP, NCT. NCT further polished it upto marine standards and disposed off deep into the sea. NCT is having strict and strategic monitoring and control policy for imparting discipline so far as quality and quantity of effluent is concerned, from its member industries. NCT has also retained third, independent, schedule-I and university based party for parallel monitoring.

As per GPCB Guidelines it is essential to have membership of NCT pipeline project for Members Industries of Ankleshwar, Jhagadia and Panoli Industrial Estate. NCT collects Capital Commitment Charges (CCC) as contribution from new member based on the water consumption of the units and the rates as approved by management. On receipt of full amount of CCC, the member is issued Equity Shares for a specified portion of the CCC and the balance is converted into Interest Free Refundable Deposits (IFRD) as per Articles of Association. In case of delayed payment of CCC by members the interest is charged and collected at the rates approved by management.

NCT has been appointed as a Special Purpose Vehicle (SPV) by DIPP, (GoI) under Industrial Infrastructure Upgradation Scheme (IIUS), 2003. As SPV, NCT has set up following five projects which have been commissioned and put into the operation successfully. NCT has appointed Resource Organizations (ROs) for operation and maintenance of these projects.

Sr No	Project	RO
1	Final Effluent Treatment & Conveyance Plant (FETP)	NCT
2	Disaster Prevention & management Centre (DPMC)	Notified Area Authority, Ankleshwar
3	Augmentation of existing effluent disposal system	Notified Area Authority, Ankleshwar
4	Centre for Excellence	Ankleshwar Inds. Association
5	Clean Technology Development Centre (CTDC)	Ankleshwar Research & Analytical Infrastructure Ltd.

Narmada Clean Tech

Notes to the Financial Statements for the year ended March 31, 2016

FETP being a prime project, operated and maintained by NCT itself. FETP and 55km long conveyance system has been commissioned in December 2006. NCT is having revenue collection strategy and price matrix. Recurring cost based on this price matrix has been charged to the user industries. Other projects are being operated and maintained by respective ROs.

2. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared in accordance with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

3. Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Such estimates and assumptions are based on evaluation of relevant facts and circumstances as on date of the financial statements. Differences between actual results and estimates, if any, are recognized in the periods in which the results are known / materialize.

4. Fixed Assets & Intangible Assets

- a) Fixed assets are stated at their cost of acquisition / construction less depreciation and impairment, if any. The cost comprises of the purchase price and any attributable cost for bringing the asset to its working condition for its intended use; like freight, duties, taxes and other incidental expenses, net of CENVAT recoverable.
- b) The Company capitalises to project assets all the cost directly attributable and ascertainable, to completing the project. These costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets.
- c) Gains or losses arising from disposal/retirement of fixed assets, which are carried at cost, are recognized in the Statement of Profit and Loss.
- d) Capital Work in Progress - CWIP includes expenditure incurred on assets, which are yet to be commissioned and capital inventory, which comprises stock of capital items/construction materials at respective city gas network.
- e) All the identifiable and ascertainable expenditure including direct, indirect expenses, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective fixed assets.
- f) Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the pipeline network. The Company capitalises software as Intangible Asset in terms of Accounting Standard -26 "Intangible Assets" where it is expected to provide future enduring economic benefits.

Narmada Clean Tech

Notes to the Financial Statements for the year ended March 31, 2016

5. Depreciation & Amortization

- a) Depreciation on fixed assets has been provided on Straight Line Method over useful lives of asset as prescribed Part C of Schedule II to the Companies act 2013.
- b) Depreciation, on additions / deletions of fixed assets during the year, has been provided proportionately from the date of assets put to use / sold.
- c) Cost of leasehold land is amortized equally over the period of lease.
- d) No amortization is charged on ROU/ROW of land being perpetual in nature.
- e) Assets costing less than Rs. 5,000/- each are depreciated fully in the year in which they are put to use / acquired.

6. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

7. Revenue Recognition

- a) The Revenue is recognized on Effluent Treatment Charges (ETC) based on the water discharges and tariff of policy based on level of COD discharged by the respective Members unit. The revenue on Supplementary bill and penalty are recognized when the level COD discharged by the Member units are higher than the permissible limit.
- b) The interest is being charged to the Members @ 12% p.a., where the payment is realized after the date it is due and is recognized on grounds of prudence and on the basis of certainty of collection.
- c) Interest on fixed deposits with banks is recognised on time proportionate basis.
- d) Interest on delayed payment of Capital Commitment Charges is recognized on realization basis.
- e) All other income and expenditure are recognized and accounted for on accrual basis.

8. Grant

- a) Grants are recognised for where it is reasonably certain that the ultimate collection will be made.
- b) Grants related to specific depreciable assets are treated as deferred income which is recognized in the income and expenditure on a systematic and rational basis over the useful life of the assets.
- c) Grants related to revenue expenditure are credited to Income and Expenditure under 'Other Income' or deducted from the related expenses.
- d) Grant / Capital Subsidy for various projects which are in the nature of Promoter's Contribution are treated as Capital Reserve.

9. Contribution from Members Industries

- a) Contributions from Members Industries (of Ankleshwar, Jhagadia and Panoli Industrial Estate) for various projects which are in the nature of Promoter's Contribution are treated as Capital Reserve.

Narmada Clean Tech

Notes to the Financial Statements for the year ended March 31, 2016

- b) Contributions from Members Industries (of Ankleshwar, Jhagadia and Panoli Industrial Estate) related to specific depreciable assets are treated as deferred income which is recognized in the income and expenditure on a systematic and rational basis over the useful life of the assets.

10. Inventories

Inventories of Raw Materials, Stores and Spares are valued at lower of cost and net realisable value. Cost is determined on First in First out (FIFO) Method.

11. Investments

Current investments are carried at cost or fair value determined category wise, whichever is lower.

Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments. Such reduction being determined and made for each investment individually.

12. Employee Benefits

- a) Post employment benefits under defined benefit plans are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, at the discounting rate.
- b) Short term employee benefits and post employment benefits under defined contribution plans are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services is rendered.
- c) Other long-term employee benefits are recognized as an expense in the profit and loss account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate.
- d) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

13. Borrowing Costs

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date of commissioning. The Expenses incurred in connection with the arrangement of borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the profit and loss statement.

14. Taxation

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for

Narmada Clean Tech

Notes to the Financial Statements for the year ended March 31, 2016

deductible timing differences only 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. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. At each reporting date, the unrecognized deferred tax assets is reassessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.

15. Earnings Per Share (EPS)

Basic earnings per share are 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 distribution tax thereto for the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of any dilutive potential equity shares.

16. Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event, 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 measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognised nor disclosed in the financial statements.

17. Cash Flow Statement

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, current account balances with Banks and demand deposits with banks.

Cash equivalents consist of investments with original maturity of three months or less and which are readily convertible to known amounts of cash."

Narmada Clean Tech

Notes to the Financial Statements for the year ended March 31, 2016

18. Prior Period Adjustments and Pre-paid Expenses.

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, is shown under the head "Prior Period Adjustments Account" in the profit and loss statements as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies.

19. Event Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the reports of the board of directors.

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note No.	Particulars	As At March 31,	
		2016	2015
2	Share capital		
2.1	Authorised Share Capital	11000,00,000	8500,00,000
	110,000,000 (P.Y. 85,000,000) Equity Share of Rs. 10 each		
2.2	Issued Share Capital	8209,13,790	7991,30,490
	82,091,379 (P.Y. 7,99,13,049) Equity Share of Rs. 10 each		
2.3	Subscribed and Paid up Share Capital	8209,13,790	7991,30,490
	82,091,379 (P.Y. 7,99,13,049) Equity Share of Rs. 10 each		
	Less: Calls Unpaid (In Arrears)	(74,13,234)	(74,13,234)
	Add: Forfeited shares (133,500 shares of Rs 10 each, Rs 4 paid up)	5,33,660	5,33,660
		8140,34,216	7922,50,916

2.4 Rights, preferences and restrictions attached to Equity Shares

- i The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-.
- ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.
- iii Company has been registered under Section 8 of the Companies Act 2013. Hence it can not distribute the profit by way of dividend to its members.
- iv The number of shares stated as issued, subscribed and paid up share capital is calculated as follows:

Particular	2016	2015
No. of shares as per last balance sheet	799,13,049	792,79,674
Add: Allotment of Shares during the year	21,78,330	6,33,375
No. of shares as at the last date	820,91,379	799,13,049

2.5 Shareholding by Prescribed Entities

Name of the Entity (Nature of Relationship)	As at 2016		As at 2015	
	No. of Shares held	Amount in Rs.	No. of Shares held	Amount in Rs.
Gujarat Industrial Development Corporation [Holding Company]	419,95,000	4199,50,000	419,95,000	4199,50,000
Total	419,95,000	4199,50,000	419,95,000	4199,50,000

2.6 Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As at 2016		As at 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat Industrial Development Corporation	419,95,000	51.16%	419,95,000	52.55%
Total	419,95,000	51.16%	419,95,000	52.55%

2.7 As per Article Of Association of the company new member will be allotted equity shares having value equivalent to 30% of Capital Commitment Charges (CCC) and the balance amount of 70% of CCC, will be transferred and credited to Interest Free Refundable Deposits. As at March 31, 2016, amount of CCC of Rs. 45,069,050 (P.Y. Rs 81,976,834) is outstanding. Out of which Rs. 35,986,643 are towards pending allotment of IFRD pertaining to members who have paid full amount of CCC and against balance amount of Rs. 9,082,407 the company is committed to allot 272,472 (P.Y. 2,459,305) equity shares valuing to Rs.2,724,720 (P.Y. Rs.24,593,050; 30% of CCC) to its members.

2.8 The Company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2016.

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note No.	Particulars	As At March 31,	
		2016	2015
3	Reserves and Surplus		
3.1	Government Grant as Promoters Contribution for Various Projects		
	As per last Balance Sheet	17549,22,980	16960,36,980
	Received during the year	50,00,000	588,86,000
	Closing Balance	17599,22,980	17549,22,980
3.2	Government Grant for Construction of RCC Road		
	As per last Balance Sheet	93,03,730	97,27,817
	Adjusted for Depreciation and impairment	(4,23,906)	(4,24,087)
	Closing Balance	88,79,824	93,03,730
3.3	Members Contribution as Promoter's for Various Projects		
	As per last Balance Sheet	1387,29,817	1387,29,817
3.4	Income & Expenditure Account :		
	As per last Balance Sheet	(2452,22,395)	(2757,31,550)
	Adjustments:		
	Surplus / (Deficit) of Income & Expenditure Account	(235,35,375)	305,09,155
	Closing Balance	(2687,57,770)	(2452,22,395)
		16387,74,851	16577,34,132
4	Long Term borrowings:		
a.	Secured Borrowings		
4.1	Term loans from		
	Banks (Effective Rate of Interest being 12.50 %)	-	2,29,715
		-	2,29,715
b.	Unsecured Borrowings		
4.2	Interest Free Refundable Deposit (IFRD)	2408,92,490	1906,24,790
4.3	Operation & Maintenance Deposit (O&M Deposits) - Member Industries	325,01,323	334,53,954
4.4	Capital Commitment Charges (CCC)	450,69,050	819,76,834
		3184,62,863	3060,55,578
		3184,62,863	3062,85,293
4.5	Term loans from the banks are secured against hypothecation of vehicles purchased and are repayable in 3 to 5 year installments.		
4.6	IFRD is unsecured deposits taken from member towards capital contribution and are repayable on closer of business by the member.		
4.7	O & M Deposits are collected from members towards the treatment of affiliated water discharged by them. The deposit value is decided based on the discharge capacity of the unit. The same is unsecured and the company is paying interest at the rate of 5% per annum. The O & M Deposits are repayable on closer of business by the member.		
4.8	Out of total outstanding CCC Rs. 35,986,643 are towards pending allotment of IFRD pertaining to members who have paid full amount of CCC and against balance amount of Rs. 9,082,407 the company is committed to allot 272,472 (P.Y. 2,459,305) equity shares valuing to Rs.2,724,720 (P.Y. Rs.24,593,050; 30% of CCC) to its members.		
5	Other Long term Liabilities		
5.1	Trade Payable (Refer Note 8)	57,23,533	57,23,533
5.2	Retention Money	9,43,847	218,98,906
		66,67,380	276,22,439

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note No.	Particulars	As At March 31,	
		2016	2015
6	Long Term Provisions		
	Provision for Employee Benefits :		
6.1	Leave Encashment	32,43,314	29,83,804
6.2	Super Annulation	2,59,587	2,91,052
		35,02,901	32,74,856

6.3 The Company's gratuity plan is funded whereas Leave encashment plan is not funded. The following table sets out the status of the gratuity plan and Leave encashment plan as required under Accounting Standard AS - 15 "Employee Benefits" and the reconciliation of opening balances of the present value of the defined benefit obligation.

I Changes in Present Value of Obligations:

Particulars	Gratuity		PL Encashment	
	For period ended		For period ended	
	2016	2015	2016	2015
Present Value of Obligation as at the beginning of the year	30,62,958	19,68,560	30,35,543	20,33,886
Current Service Cost	4,45,774	3,07,693	3,23,553	1,44,609
Interest Cost	2,43,199	1,83,273	2,41,022	1,89,355
Actuarial (gain) / Loss on obligations	(48,697)	6,64,854	2,20,903	6,91,325
Benefits paid	(3,82,767)	(61,422)	(5,54,414)	(23,632)
Present value of Obligation as at the end of the year	33,20,467	30,62,958	32,66,607	30,35,543

II Reconciliation of opening and closing balances of fair value of plan assets.

Fair Value of Plan Assets at the beginning of the year	32,79,384	-
Expected Return on Plan Assets	2,60,383	-
Contributions	25,084	33,06,700
Actuarial Gain / (loss) on Plan Assets	(27,374)	34,106
Benefit paid	(3,82,767)	(61,422)
Fair Value of Plan Assets at the end of the year	31,54,710	32,79,384

III The amount recognised in Balance Sheet:

Present value of Obligation as at the end of the year	33,20,467	30,62,958	32,66,607	30,35,543
Fair Value of Plan Assets at the end of the year	31,54,710	32,79,384	-	-
Net Liability/(Assets) recognized in Balance sheet	1,65,757	(2,16,426)	32,66,607	30,35,543

IV Amount recognised in Income and Expenditure Account:

Current Service Cost	4,45,774	3,07,693	3,23,553	1,44,609
Interest Cost	(17,184)	1,83,273	2,41,022	1,89,355
Net Actuarial (gain) / Loss recognised in the year	(21,323)	6,30,748	2,20,903	6,91,325
Expenses Recognized in the Income and Expenditure Account	4,07,267	11,21,714	7,85,478	10,25,289

V Assumptions:

Mortality Table	(Indian Assured Life Mortality)	
	2006-08	2006-08
Discount Rate	8.08%	7.94%
Expected Rate of Return on Planned Assets	8.08%	7.94%
Rate of increase in compensation levels	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note No.	Particulars	As At March 31,	
		2016	2015
VI	Amount pertaining to plan is as follows		
	Particular	2015-16	2014-15
	Present Value of defined value obligations	33,20,467	30,62,958
	Fair value of plan assets	31,54,710	32,79,384
	Surplus/(Deficit) in Plan	(1,65,757)	2,16,426
	Experience adjustments		
	on plan assets (Loss)/Gain	(27,374)	34,106
	on plan Liabilities Loss/(Gain)	(48,697)	6,64,854
			(6,03,318)
7	Short Term Borrowings		
a	Secured (Repayable on Demand)		
7.1	Working Capital Finance From Bank (Refer note 7.4)		366,65,694
			366,65,694
b	Unsecured		
7.2	Deposits		2,85,000
7.3	Loan From GIDC (Refer note 7.5)		2208,34,932
			2222,94,932
			2020,67,877
			2222,94,932
			2387,33,571
7.4	First pari-passu charge on present / future movable and immovable fixed assets and book debts / other receivables of the Company and exclusive charge over stock of the Company. Effective Rate of Interest being 12.75%.		
7.5	The loan from GIDC is repayable in 3 years or on receipt of subsidy from the government. Effective rate of interest being 9.5%.		
8	Trade Payables		
	Trade Payables (Refer Note 8.1)		
	Outstanding dues of micro enterprises and small enterprises	82,433	88,152
	Outstanding dues of creditors other than micro enterprises and small enterprises	221,23,307	221,23,744
			222,05,740
			222,11,896
8.1	Additional disclosure in respect of dues to micro, small and medium enterprises :		
	i. Principal amount remaining unpaid and interest thereon	64,78,404	33,94,497
	ii. Interest paid in terms of Section 16	-	-
	iii. Interest due and payable for the period of delay in payment	-	-
	iv. Interest accrued and remaining unpaid	-	-
	v. Interest due and payable even in succeeding years	-	-
	The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.		

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note No.	Particulars	As At March 31,	
		2016	2015
9	Other Current Liabilities		
9.1	Outstanding dues of micro enterprises and small enterprises		
a	Creditor for capital Expense (Refer Note 8.1)	63,95,971	33,06,345
		63,95,971	33,06,345
9.2	Outstanding dues of creditors other than micro enterprises and small enterprises		
a	Current Maturities of Long Term Debt		
b	From Banks (Refer note 9.3)	2,29,715	3,57,023
c	Retention money	15,38,373	51,80,414
d	Statutory Dues	12,62,861	23,17,883
e	Other Payables	14,63,179	14,70,289
f	Creditor for capital Expense	78,45,624	194,24,568
		123,39,752	287,50,176
		187,35,723	320,56,521
9.3	Rs.229,715 (P.Y. Rs.357,023) is towards repayment of Car Loan secured against hypothecation of car		
10	Short Term Provisions		
	Provision for Employee Benefits :		
10.1	Gratuity (Net of Planned asset Rs. 31,54,710)	1,65,757	-
10.2	Leave Encashment	23,293	51,739
10.3	Super Annuation	1,89,037	2,45,796
		3,78,087	2,97,535

NARMADA CLEAN TECH

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note 11

Fixed Asset

Assets Procured out of Own Fund

Particulars	GROSS BLOCK					DEPRECIATION & IMPAIRMENT					NET BLOCK AS AT	
	Opening Balance	Additions during the year	Deduction during the year	Adjustment	Closing Balance	Opening Balance	Depreciation for the year	Prior Year Depreciation	Deductions / Adjustment (Reversal)	Closing Balance	31/03/2016	31/03/2015
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-
ROU/ROW Charges	-	-	-	-	-	-	-	-	-	-	-	-
Building	176,97,647	-	-	-	176,97,647	25,45,428	6,17,346	-	-	31,62,774	145,34,873	151,52,219
Plant & Machinery	644,77,776	31,38,219	-	79,07,825	597,08,170	167,93,494	17,07,819	-	2,27,821	182,73,492	414,34,678	476,84,282
Furniture & Fixtures	14,99,790	1,89,116	59,539	-	16,29,367	11,15,117	77,808	-	55,186	11,37,739	4,91,628	3,84,673
Vehicles	20,13,874	-	-	-	20,13,874	7,16,420	2,58,414	-	-	9,74,834	10,39,040	12,97,454
Office Equipments	14,34,144	1,48,699	32,905	-	15,49,938	8,75,712	1,89,179	-	31,260	10,33,631	5,16,307	5,58,432
Computer	22,89,684	1,02,000	-	-	23,91,684	10,92,531	5,00,279	-	-	15,92,810	7,98,874	11,97,153
Laboratories Equipment	11,38,640	1,47,025	-	-	12,85,665	2,63,625	1,24,639	-	-	3,88,264	8,97,401	8,75,015
Electrical Installation	160,25,808	18,74,421	-	-	179,00,229	29,43,696	17,68,809	-	-	47,12,505	131,87,724	130,82,112
Pipeline	465,36,828	-	-	-	465,36,828	121,93,746	28,69,337	-	-	150,63,083	314,73,745	343,43,082
TOTAL (A)	1531,14,191	55,99,480	92,444	79,07,825	1507,13,402	385,39,769	81,13,630	-	3,14,267	463,39,132	1043,74,270	1145,74,422
Work in progress (B)	-	-	-	-	-	-	-	-	-	-	-	-

Assets Procured out of Own Fund as well as Grant and Members Contribution

Particulars	GROSS BLOCK					DEPRECIATION & IMPAIRMENT					NET BLOCK AS AT	
	Opening Balance	Additions during the year	Deduction during the year	Adjustment	Closing Balance	Opening Balance	Depreciation for the year	Prior Year Depreciation	Deductions / Adjustment (Reversal)	Closing Balance	31/03/2016	31/03/2015
Freehold Land	-	11,51,381	-	(18,88,263)	30,39,644	-	-	-	-	-	30,39,644	-
Leasehold Land	184,06,405	-	-	42,79,646	141,26,759	-	1,47,831	12,09,258	-	13,57,089	127,69,670	184,06,405
ROU/ROW Charges	71,43,326	-	-	-	71,43,326	-	-	-	-	-	71,43,326	71,43,326
Building	2828,20,612	1015,49,474	-	-	3843,70,086	569,98,520	105,15,112	-	-	675,13,632	3168,56,454	2258,22,092
Plant & Machinery	5435,40,803	565,27,265	-	(79,07,825)	6079,75,893	1934,82,849	193,96,765	-	(2,27,821)	2131,07,435	3948,68,458	3500,57,954
Furniture & Fixtures	60,37,158	1,00,231	-	-	61,37,389	26,75,672	7,74,429	-	-	34,50,101	26,87,288	33,61,486
Vehicles	33,39,743	-	-	-	33,39,743	31,72,756	2	-	-	31,72,758	1,66,985	1,66,987
Office Equipments	45,76,672	1,27,500	-	-	47,04,172	43,47,840	12,716	-	-	43,60,556	3,43,616	2,28,832
Computer	21,52,665	-	-	-	21,52,665	20,49,084	-	-	-	20,49,084	1,03,581	1,03,581
Laboratories Equipment	282,49,643	-	-	-	282,49,643	113,25,756	38,77,851	-	-	152,03,607	130,46,036	169,23,887
Electrical Installation	831,12,801	538,80,950	-	-	1369,93,751	278,10,971	132,34,218	-	-	410,45,189	959,48,562	553,01,830
Pipeline	9892,45,874	343,09,038	-	-	10235,54,912	4737,02,356	625,23,735	-	-	5362,26,091	4873,28,821	5155,43,518
TOTAL (c)	19686,25,702	2476,45,839	-	(55,16,442)	22217,87,983	7755,65,804	1104,82,659	12,09,258	(2,27,821)	8874,85,542	13343,02,441	11930,59,898
Work in progress (D)	-	-	-	-	-	-	-	-	-	-	12854,93,070	13130,34,654

Total (A) + (C)	21217,39,893	2532,45,319	92,444	23,91,383	23725,01,384	8141,05,573	1185,96,290	12,09,258	86,446	9338,24,674	14386,76,711	13076,34,320
Previous year	21008,31,771	215,43,552	6,35,428	-	21217,39,895	6920,14,622	1226,45,408	-	5,54,455	8141,05,575	13076,34,320	14088,17,149

Capital Work in Progress (B) + (D)	-	-	-	-	-	-	-	-	-	-	12854,93,070	13130,34,654
Previous year	-	-	-	-	-	-	-	-	-	-	13130,34,654	9529,69,731

Note:

- Amount as shown in Adjustment column shows the amount which has been wrongly classified in previous year among asset from own fund or granted fund. The same has been rectified here.
- During the financial year 2014-15, the Company has revised depreciation rate on fixed assets as per the useful life specified in Schedule II to the Companies Act, 2013 or assessed by the Company. Based on current estimates, depreciation of Rs. 113.10 Lacs on account of assets whose useful life has already exhausted as on April 1, 2014 has been added to depreciation for the year ended March 31, 2015. Had there not been any change in useful life of assets, depreciation for the year ended March 31, 2015 would have been lower by Rs. 229.69 Lacs, if the same rate of depreciation would have been followed.
- Adjustment in Gross Block of Rs. 7,907,825 and Depreciation Block of Rs. 227,821 during the year under Assets Head "Plant and Machinery" represents, reclassification of certain Plant and Machinery items which were classified as "Assets Procured out of Own Funds" instead of "Assets Procured out of Own Fund as well as Grant and Members Contribution" during the earlier years.
- Adjustment in Gross Block of Rs. 4,279,646 during the year under Assets Head "Leasehold Land" represents, reclassification of Freehold Land of Rs. 1,888,263 and rectification of Expenditure of Revenue Nature of Rs. 2,391,383.
- Capital Work in Progress includes cost of Rs. 85,200,000 in respect of Leasehold Land at Jhaghadiya Industrial Estate.

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note No.	Particulars	As At March 31,	
		2016	2015
12	Investments		
	(Long Term - At Cost)		
	In Unquoted Fully Paid Up Equity Shares of 100,000 Equity Shares of Rs. 10 each in Ankleshwar Research & Analytical Infrastructure Limited .	10,00,000	10,00,000
	Less: Provision for diminution in value of Investment	(3,76,748)	(2,95,802)
		6,23,252	7,04,198
13	Long Term Loans and Advances		
	(Unsecured, Considered Good)		
13.1	Inter Corporate Loan	121,95,868	98,77,805
		121,95,868	98,77,805
14	Other Non Current Assets		
14.1	Receivables: (Due From Members)		
	(Unsecured, Considered Good unless otherwise stated)		
	Outstanding Trade receivables		
	Considered Doubtful	94,18,977	108,25,583
		94,18,977	108,25,583
	Less : Provision for bad and doubtful debt	(94,18,977)	(108,25,583)
		-	-
14.2	Security Deposits (Refer note 14.4)	195,37,879	118,43,489
14.3	Advance Income Tax (Net of Provision of Rs 5,500,000; P.Y. Rs.5,500,000) (Refer note 14.5)	355,31,309	277,23,743
		550,69,188	395,67,232
14.4	Includes Rs.2,335,579 as fixed deposits and accrued interest thereon pledged with respective authorities (P.Y. Rs 2,228,879).		
14.5	Assessment Proceeding of Tax under the Income Tax Act, 1961 are pending since Assessment Year 2005-06. The refund of advance income tax amount is subject to completion of the assessments.		
15	Inventories		
	Raw Material	15,77,838	19,35,234
	Stores and Spares (Includes stock in transit of Rs.Nil; P.Y. Rs.7,90,844)	137,11,089	124,44,969
		152,88,927	143,80,203
	Less: Provision for Obsolete Inventory	(12,33,847)	(10,64,423)
		140,55,080	133,15,780
16	Trade Receivables (Due from members)		
	(Unsecured, Considered Good unless otherwise stated)		
i	Debts outstanding for a period more than Six Months from due date of repayment	45,56,529	117,36,981
ii	Others	469,33,360	420,81,877
		514,89,889	538,18,858

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Note No.	Particulars	As At March 31,	
		2016	2015
17	Cash & Bank Balances		
17.1	Cash and Cash Equivalent		
a	Balances with bank in Current Account	310,02,757	722,14,645
b	Balances with bank in Working Capital Account	44,46,688	-
c	Cash on Hand	73,805	68,447
		355,23,250	722,83,092
17.2	Other Bank Balances		
a	Balances with bank in Fixed Deposit Accounts	1515,03,002	2525,92,349
		1515,03,002	2525,92,349
		1870,26,252	3248,75,441
17.3	Fixed Term Deposits with bank includes Rs.19,773,002 (P.Y. Rs. 19,338,002) deposits is given as margin money to the bank for issue of guarantee.		
18	Short Term Loans & Advances (Unsecured, Considered Good unless otherwise stated)		
18.1	Balance with Tax Authority	49,747	46,40,326
18.2	Advance to Suppliers	80,07,472	68,14,766
18.3	Prepaid Expenses	37,50,811	29,92,811
18.4	Loans and Advances to Employees	25,738	16,310
		118,33,767	144,64,213
19	Other Current Assets		
19.1	Interest Accrued	40,16,463	29,58,232
19.2	Gratuity Planned Assets(net of Gratuity Provision)	-	2,16,426
		40,16,463	31,74,658

Narmada Clean Tech
(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Amount in Rs.

Note No.	Particulars	For the Year Ended March 31,	
		2016	2015
20	Revenue from Operations		
20.1	Effluent Treatment Charges	4409,03,158	3981,64,009
20.2	Other Operating Revenue		
	Quality Default & Restoration Penalty	16,35,712	150,52,072
	Interest Income	3,17,342	49,00,947
	Other Income	5,97,775	23,58,666
		<u>25,50,829</u>	<u>223,11,685</u>
		4434,53,987	4204,75,694
	Less : Excise Duty	-	-
		<u>4434,53,987</u>	<u>4204,75,694</u>
21	Other Income		
21.1	Interest Income		
	Interest from Bank (FDR Interest)	136,50,224	84,35,335
	Interest on Loans and Advances	10,13,520	8,40,280
	Interest on Security Deposits	3,50,907	1,10,780
		<u>150,14,652</u>	<u>93,86,395</u>
21.2	Grant against Depreciation	4,23,906	4,24,087
21.3	Reversal of Provision for Doubtful Debtors	62,08,220	126,75,305
21.4	Scrap Sale	10,97,408	-
21.5	Liquidated Damages	27,09,026	-
21.6	Other Income	1,55,808	69,372
		<u>256,09,020</u>	<u>225,55,159</u>
22	Cost of Material Consumed		
22.1	Raw material		
	Opening Stock	19,35,235	36,00,772
	Add: Purchases	65,05,037	67,77,680
	Less: Closing Stock	(15,77,838)	(19,35,235)
		<u>68,62,434</u>	<u>84,43,217</u>
22.2	Stores spares		
	Opening Stock	124,44,968	135,71,456
	Add: Purchases	108,02,886	64,96,867
	Less: Closing Stock(Includes Rs.Nil as stock in transit P.Y. Rs.7,90,844)	(137,11,089)	(124,44,968)
		<u>95,36,765</u>	<u>76,23,355</u>
		<u>163,99,199</u>	<u>160,66,572</u>

Narmada Clean Tech
(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Amount in Rs.

Note No.	Particulars	For the Year Ended March 31,	
		2016	2015
23	Employee Benefit Expenses		
23.1	Salary Wages & Bonus	414,20,860	391,94,854
23.2	Contribution to Provident Fund	18,01,721	16,54,768
23.3	Staff & Labour Welfare Expenses	4,77,595	5,76,709
		437,00,176	414,26,331
24	Finance Cost		
24.1	Interest Expenses	214,39,436	32,46,589
24.2	Other Borrowing Cost	2,63,194	3,12,011
		217,02,630	35,58,600
25	Other Expenses		
25.1	Power & Fuel Charges	1407,17,982	1298,16,734
25.2	Rent	31,81,255	29,01,717
25.3	Repairs & Maintenance	371,72,817	290,86,224
25.4	Insurance	51,03,344	40,28,535
25.5	Rates & Taxes	36,63,099	5,13,383
25.6	Effluent Treatment Process Expenses	371,74,993	368,20,495
25.7	Legal & Professional Expenses	55,66,173	27,20,054
25.8	Payment to Auditors *	2,41,500	1,99,500
25.9	Provision for Doubtful Debts	48,01,614	1,11,595
25.10	Loss on Diminution in Value of Investment	80,946	2,95,802
25.11	Miscellaneous Expenses	208,97,345	188,74,588
		2586,01,067	2253,68,627
*	Payment to auditors		
	Statutory Audit Fees	1,72,500	1,42,500
	Tax Audit Fees	69,000	57,000
		2,41,500	1,99,500
**	Prior period expenses of are related to expenses which were wrongly accounted as Capital Work in Progress, Deposits and Advances in earlier years.		
26	Prior Period Items (Net) :		
	Expenses		
	Penalty Charges - Offshore Pipeline Jaghadia Project	150,00,000	-
	GIDC Revenue Charges - Jaghadia Project	111,83,757	-
	Testing Charges	43,09,350	-
	Legal & Professional Charges	25,17,371	-
	Other Expenditure	78,08,679	34,56,160
		408,19,157	34,56,160
	Less:		
	Income		
	Liquidated Damages	84,29,395	-
		323,89,762	34,56,160

(Consists of revenue expenditure considered as Fixed Assets / Capital Work In Progress / Advances in Prior Years)

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Amount in Rs.

27 Earning / (Loss) Per Share - Basic & Diluted	For the Year Ended March 31,	
	2016	2015
(a) Net Surplus / (Deficient) After Tax	(235,35,375)	305,09,155
(b) Total Weighted Average Number of Shares	801,33,866	794,61,878
(c) Basic & Diluted Earning / (Deficient) per share in rupees	(0.29)	0.38
(d) Total Weighted Average Number of Shares for Diluted Earning	832,63,963	821,75,913
(e) Diluted Earning / (Deficient) per share in rupees	(0.29)	0.37
[Since loss per share is decreased when taking the potential equity shares into account during the year, the potential equity shares are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore adjusted diluted loss per share for the year ended 31-03-2016 is Rs. 0.29]		
28 Company has not incurred any expenditure or received any income in foreign currency. More over materials consumed are procured from indigenous market.		
29 Contingent Liabilities and Commitments		
(a) Contingent Liabilities		
i Bank Guarantee	188,05,580	188,71,959
ii Money for which the company is contingently liable for Matters under dispute under Service Tax (net of advances of Rs. 49,747; previous year Rs. 49,747)	4,47,718	4,47,718
iii Claims against company not acknowledged as debt	12417,18,828	11066,24,198
(b) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. Nil; previous year Rs. Nil)	1256,27,575	1440,80,640

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

30 Related Party Transactions:

The following related party transactions were carried out during the year ended March 2016 in the ordinary course of business:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Amount In Rs.	
			For the Year	For the Year
			Ended March 31,	Ended March 31,
			2016	2015
Gujarat Industrial Development Corporation	Holding Company	Payment For Various Charges	12,96,291	34,84,605
		Loans Taken During The Year	190,52,055	2017,82,877
		Loans Repaid During The Year	-	704,83,227
		Outstanding Receivables (Payable)	-	(2016,59,868)
Shri A A Panjwani	Key Management Personnel	No Transactions except Sitting Fees and Incidental Charges		Paid
Dr. (Prof.) P A Joshi	Key Management Personnel	No Transactions except Sitting Fees and Incidental Charges		Paid
Shri Bharat Jain	Key Management Personnel	No Transactions except Sitting Fees and Incidental Charges		Paid
Shri J G Gamit	Key Management Personnel	No Transactions except Sitting Fees and Incidental Charges		Paid
Shri B S Patel	Key Management Personnel	No Transactions except Sitting Fees and Incidental Charges		Paid
GP. CAPT. (Retd) A G Chitre	Key Management Personnel	No Transactions except Sitting Fees and Incidental Charges		Paid
Shri C. A. Devani	Key Management Personnel	No Transactions except Sitting Fees and Incidental Charges		Paid
Shri Keyur R. Desai	Key Management Personnel [CEO]	Remuneration	14,13,349	26,88,496
Shri Alok Kumar	Key Management Personnel [CEO]	Remuneration	15,22,869	-
Bharuch Enviro Infrastructure Ltd	Significant Influence Exists	Procurement of Goods/Services	210,11,468	168,01,239
		Outstanding Receivables	22,05,989	12,83,543
		Outstanding Balance Of Share Capital Allotted	10,70,000	10,70,000
Enviro Technology Limited	Significant Influence Exists	Income Charged For Various Activities	154,45,457	167,45,923
		Interest Paid	40,500	40,500
		Outstanding Receivables/(Payable)	(36,450)	13,86,088
		Outstanding Balance Of Share Capital Allotted	33,79,030	33,79,030
		Outstanding Balance Of Various Deposits	8,10,000	8,10,000
Ankleshwar Research Analytical Infrastructure Ltd	Significant Influence Exists	Procurement Of Goods/Services	13,64,381	7,25,521
		Loans/Advances Granted	14,89,923	9,85,855
		Loans/Advances Collected Back	-	-
		Interest received on loan	16,68,420	-
		Outstanding Payables	-	15,441
		Outstanding Investments	10,00,000	10,00,000
		Outstanding Balance Of Loans /Advances	121,95,868	90,37,525
Panoli Enviro Technology Limited	Significant Influence Exists	Income Charged For Various Activities	39,92,422	46,38,251
		Interest Paid	15,397	15,397
		Outstanding Receivables/(Payable)	(13,857)	3,35,416
		Outstanding Balance Of Various Deposits	3,07,938	3,07,938
Panoli Industrial Infrastructure Limited	Significant Influence Exists	Loans/Advances Granted	-	-
		Loans/Advances Collected Back	-	2,53,881
		Outstanding Balance Of Loans /Advances	-	-
Heubach Colour Private Limited	Significant Influence Exists	Income Charged For Various Activities	744,98,800	817,43,186
		Various Deposits Received During The Year	-	35,15,260

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

30 Related Party Transactions:

The following related party transactions were carried out during the year ended March 2016 in the ordinary course of business:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Amount In Rs.	
			For the Year	For the Year
			Ended March 31,	Ended March 31,
			2016	2015
		Share Capital Allotted During The Year	-	15,06,540
		Interest Paid	1,80,144	1,80,144
		Outstanding Receivables/(Payable)	(1,62,128)	72,74,283
		Outstanding Balance Of Share Capital Allotted	198,86,810	198,86,810
		Outstanding Balance Of Various Deposits	119,13,140	119,13,140
Suyog Dye Chemie Pvt. Ltd	Significant Influence Exists	Income Charged For Various Activities	7,96,794	6,07,813
		Interest Paid	1,680	1,663
		Various Deposits Received During The Year	1,361	-
		Outstanding Receivables/(Payable)	(1,680)	48,322
		Outstanding Balance Of Share Capital Allotted	12,00,000	12,00,000
		Outstanding Balance Of Various Deposits	34,625	33,264
Suyog Life Sciences Private Limited	Significant Influence Exists	Income Charged For Various Activities	1,000	1,450
		Interest Paid	-	-
		Outstanding Receivables	1,000	-
		Outstanding Balance Of Share Capital Allotted	-	-
		Outstanding Balance Of Various Deposits	-	-
Snehal Impex Private Limited	Significant Influence Exists	Income Charged For Various Activities	2,500	325
		Capital Commitment Charges Received	8,00,000	-

Note :

Sitting Fees and Incidental Charges paid to all Directors of Rs. 274,000 (P.Y.Rs 414,000) is not included in the above disclosure. Key managerial personal includes Director who are member of Executive Committee of Board

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

31 The Company operates in only one business segment of 'Treatment of Affiliated water and disposing it off in deep Sea' as primary segment. There is no secondary segment. In view of this, no separate disclosure is required under Accounting Standard 17.

32 Balances of trade receivables, loans & advances, other liabilities, IFRD, O & M Deposits and CCC are subject to confirmations by the parties.

33 As per the Companies policy, the amount of Rs. 240,892,490/- and Rs. 45,069,050/- collected and outstanding as at March 31, 2016 from members is credited to Interest Free Refundable Deposit and capital commitment charges account respectively, The Company had obtained exemption to treat the amount received from members as unsecured loan to be repayable at the time of liquidation / closure of their member unit under section 58A (8) of the Companies Act, 1956.

As per Companies Act, 2013, the Company has submitted an application on August 8, 2015 under section 74(2) of the Companies Act, 2013, to the Company Law Board, Western Region Bench, Mumbai to grant extension to keep deposit till the membership of the members is continued. Pursuant to the said application, Company Law Board, New Delhi Bench had issued order on 04.12.2015 allowing extension of time for payment of deposit as per terms and condition of agreement.

Consequently, the classification of this amount into Non-Current Category is made as the amount will be repayable only on discontinuation of membership.

As per the opinion received from our Practising Company Secretary that 30% amount of Capital Commitment Charges should be transfer to "Share Application Money Repayable to the Subscribers Account". As the amount is transferred in repayable account, it cannot be termed as deposit.

The Company has during the year accepted the capital commitment charges from the member industries registered as companies, and rule 2(VI) of Companies (Acceptance of Deposit) Rule, 2014 provides that any amount received by the Company from any other company do not fall under definition of Deposit.

34 During the year company has appointed a firm of chartered accountants for verification of fixed assets and its reconciliation with books of accounts. The reconciliation of assets verified is under process. Necessary accounting entries will passed on completion of the reconciliation.

35 Certain assets of the Company are situated at the premises of Ankleshwar Research and Analytical Infrastructure Limited. During the year incident of fire took place in the said premises of ARAIL wherein assets of the Company are also damaged. The management is of the view that the assets can be repaired and reused. Further, Insurance Claim is also not finalised by the Insurance Company. Considering the same no accounting entry has been passed in respect of loss of assets, if any, in the books of accounts.

36 Jhaghadia Pipeline Project undertaken by the company since 2010, comprises of following:

1. Booster pumping station at Kantiyajal (Landfall Point)
2. Pump house at Jhaghadia Industrial Estate
3. 62 KM pipeline from Jhaghadia to Kantiyajal (Landfall point).

The Booster Pumping Station at Kantiyajal has been capitalized during the financial year and the trial run for Pump house at Jhaghadia Industrial Estate is completed in July 2016.

In case of 62 KM Pipeline, the final sections of pipeline were mechanically complete in June 2015. The commissioning activities were expected to be completed in 3 months thereafter. However, in the financial year 2015-16 during the water filling trials, there was unexpected leakage of water few times and trials had to be repeated. This was due to the reason that certain sections in the pipeline were left incomplete. The identification and rectification of these sections took additional efforts and time. The rectification is completed and testing of pipeline is successful. The final flow trial at the designed flow rate shall be conducted by the Company and on the basis of its results the pipeline shall be declared commissioned.

Cost of Rs. 1,168,456,123 towards construction of Pump house at Jhaghadia Industrial Estate and 62 KM Pipeline from Jhaghadia to Kantiyajal is included in Capital Work In Progress as at March 31, 2016. The same will be capitalised on commissioning of the project components.

Narmada Clean Tech

(Formerly Known as Narmada Clean Tech Limited)

Notes to the Financial Statements for the year ended March 31, 2016

- 37 - Loans given and investments made are given under the respective heads.
- Loans have been utilized by the recipients for their business purpose.
- There are no corporate guarantees given by the company in respect of loans as at March 31, 2016.
- 38 The Company has been registered under section 12AA of the Income Tax Act 1961, with effect from February 06, 2015 i.e. from Financial Year 2014-15. Consequently the company has no taxable income and hence no provision is made in respect of income tax for the current year.
- 39 The company does not have material timing difference and hence deferred tax adjustment is not made.
- 40 The previous year's figures have been regrouped / rearranged so as to conform to the current year's classification.

As per our audit report of even date attached

Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.106041W/W100136

For and on behalf of the Board

G. R. Parmar
Partner
Membership No. : 121462

Dr. B. P. Jain
Vice Chairman
DIN. 02199751

Dr. P. A. Joshi
Director
DIN. 02281321

A A Panjwani
Director
DIN. 00200220

Alok Kumar
Chief Executive Officer
PAN. ADWPK0030F

Rajan Mehta
Chief Financial Officer
PAN. AFBPM7012G

Megha Soni
Company Secretary
PAN. ARZPC1776H

Place : Gandhinagar
Date : 20-09-2016

Place : Gandhinagar
Date : 20-09-2016

NARMADA CLEAN TECH
(a subsidiary of GIDC)

(Formerly known as Narmada Clean Tech Limited)
Surti Bhagor, Nr. Gujarat Gas Office, Umarwada Road, Ankleshwar 393 001

16th Annual General Meeting – Saturday, the 31st December, 2016 at 11.30 Hrs. at Registered Officer: NCT Administrative Building, Nr. Gujarat Gas Office, Umarwada Road, Ankleshwar.

ATTENDANCE SLIP

Reg. Folio No.:

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company and hold _____ shares, I hereby record my presence at the 16th Annual General Meeting being held at FETP, NCT Administrative Building, Nr. Gujarat Gas Office, Umarwada Road, Ankleshwar on Saturday, the 31st December, 2016 at 11.30 Hrs.

Name of the Member/Proxy in Block Letters

Member's/Proxy's Signature

Notes: _____

1. A member/proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete the proxy form below and deposit it at the Company's Registered Office at least 48 hours before the meeting.

Form No. MGT-11

PROXY FORM

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

CIN	U40101GJ2000NPL037236
Name of the company:	Narmada Clean Tech
Registered office:	Surati Bhagor, Near Gujarat Gas Office Umarwada Road, Dist. Bharuch Ankleshwar 393001

Name of member(s):	
Registered address:	
E-mail Id:	
Folio No./ Client Id	
	DP Id: <input type="text"/>

I/We, being the member (s) of Narmada Clean Tech holding shares of the above named company, hereby appoint

1. Name : _____ Address _____
E- Mail ID _____ Signature _____ or failing him;
2. Name : _____ Address _____
E- Mail ID _____ Signature _____ or failing him;
3. Name: _____ Address _____
E- Mail ID _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual general meeting of the company, to be held on the Saturday of 31st December, 2016 At 11.30 Hrs at Registered Officer of the Company at Surti Bhagor, Near Gujarat Gas Office, Umarwada Road, Dist. Bharuch, Ankleshwar 393001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	Type of Resolution	For	Against
1.	Adoption of Audited Financial Statements	Ordinary		
2.	Re-appointment of Dr. Bharat Jain, Director	Ordinary		
3.	Re-appointment of Mr. Sanjiv Tyagi, Director	Ordinary		
4.	Re-appointment of Mr. J.G. Gamit, Director	Ordinary		
5.	Re-appointment of Auditors	Special		
6.	Appointment of Ms. D. Thara , IAS as Chairperson	Ordinary		
7.	Appointment of Mr. B.P. Sangod as Nominee Director	Ordinary		
8.	Issue equity shares	Special		

Signed this _____ day of _____, 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix Revenue Stamp

Note: 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.



Clarifier at FETP, Ankleshwar



Flag Hosting at FETP Ankleshwar

Recently Commissioned Booster Pumping Station at
Kantiyajal

