

## UNNAO TANNERIES POLLUTION CONTROL COMPANY

### Notes to financial statements for the year ended 31st March, 2015

26. In addition to the bill of Rs. 2,05,18,405.00 (raised for the period 01.12.2007 to 31.03.2014 on estimated basis), the company has raised a further bill of Rs. 57,02,250.00, on estimated basis, on M/s Iqbal Leathers Limited with whom litigation is pending for the Period 01.04.2014 to 31.03.2015, on the assessed load capacity as there has been no checking of the meter reading installed at the premises of M/s Iqbal Leathers Limited. Out of the same Rs. 57,02,250.00 pertains to the financial year under consideration against which Rs. 5,30,407.50 received from M/s Iqbal Leathers Limited has been accounted as revenue. The balance amount being a contingent asset will be recognized in the books as and when the same is realized. Thus the difference amount of Rs. 51,71,842.50 for the current financial year, between the bill charged and actual amount realized has not been recognized in the books of accounts. Also the Interest for the year charged on the outstanding balances of Iqbal Leathers Limited amounting to Rs. 1,17,55,818.77 has been treated as contingent asset and has not been recognized in the books of accounts.
27. The company has entered into a Memorandum of Understanding (MOU) on 11.06.2009 on the request of industries connected to operational existing CETP of the company and in the larger interest of industries of Unnao, SPV-Leather M/s Industrial Infrastructure Services (India) [IIS(I)] to develop a new module of CETP in the existing premises of the company which needs immediate development of a second module of CETP of about 2.35 MLD to expand and improve the performance of their existing CETP of 2.15 MLD. For this purpose the company has handed over physical possession of unutilised vacant land admeasuring 2 acres approx and permitted the IIS(I) to lay under ground conveyance system for the benefit of same industries or any new comers, if the spare capacity is generated. It was further agreed that IIS(I) shall only be the user of land belonging to the company, whereas the new CETP shall be developed and thereafter shall be operated and maintained also by IIS(I). The ownership of this new project module of CETP of 2.35 MLD shall remain with IIS(I) only as per the conditions asked from the Ministry of Commerce & Industries, Department of Industrial Policy & Promotion, Ministry of Commerce, the Government of India. The IIS(I) has requested the company to operate and maintain the new CETP. For this purpose a Supplementary Memorandum of Understanding was entered into 04.02.2013 by which the company and IIS(I) have agreed that the company shall operate and maintain at its cost the new CETP developed by IIS(I) and the IIS(I) shall not incur any expense on its maintenance and operation. The company is now maintaining and operating the new CETP since October, 2013 in the series of old CETP for extended treatment of same effluent to achieve the better quality of effluent within the prescribed norms of Uttar Pradesh Pollution Control Board.
28. Confirmation of balances in few cases of advances, debtors and other parties could not be obtained. Trade Receivables include Rs. 3,23,660 which are exceeding 6 months and in some cases there has been no recovery during the entire year. However no provisions has been made in the books, as the management is hopeful for the recovery of the same.
29. As per the directions of the UP Pollution Control Board, the company has installed and commissioned a Real Time Data Monitoring System (RTDMS) costing Rs. 29,61,399 during the year. All the operational member units excluding M/s Iqbal Leathers Ltd. (under litigation) have agreed to pay the entire cost of RTDMS aggregating to Rs. 29,61,399 as contribution according to their capacities allotted in the CETP. Out of which a sum of Rs. 201,952 has been received upto 31.03.2015 and the same has been disclosed as "Real Time Data Monitoring System (RTDMS) Development Fund" at Note no. 3, Reserves and Surplus.
30. The company has requested confirmation from Suppliers regarding their registration (filling of Memorandum) under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). According to the information available with the company there was no amount (principal and/or interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of the year. There is no delay in payment to SME during the year. No interest was paid/payable on account of delay in payment to SME during the year in terms of Section 16 of the Act.
31. AS-7, AS-11, AS-12, AS-13, AS-14, AS-15, AS-16, AS-17, AS-18, AS-19, AS-21, AS-23, AS-24, AS-25, and AS-27 are not applicable in view of operations carried out by the company during the year.
32. Figures of the previous year has been regrouped / rearranged wherever required in order to make them comparable with those of current year.

As per our report of even date attached  
For Kapoor Tandon & Co.  
Chartered Accountants

(R P Gupta)  
Partner



For and on behalf of the Board of Directors

(S.M.Shahid)  
Chairman

(M.Amin)  
Director

(Taj Alam)  
Director

(A.K.Agarwal)  
Director

Place: Kanpur

Dated: 27/08/2015