

Precot Meridian Limited



ANNUAL REPORT 2015

Directors

R Bhuvaneshwari
Jairam Varadaraj
A Ramkrishna
C N Srivatsan
Sumanth Ramamurthi
Suresh Jagannathan
Vijay Mohan
Vijay Venkatasamy

Chairman

D Sarath Chandran

Vice Chairman and Managing Director

Ashwin Chandran

Joint Managing Director

Prashanth Chandran

Chief Financial Officer

M R Siva Shankar

Company Secretary

R Nithya Prabhu

Statutory Auditor

M/s Haribhakti & Co. LLP, Coimbatore

Registered Office

SUPREM,
No. 737 Green Fields,
Puliakulam Road,
Coimbatore - 641045.
Email : secretary@precot.com
Website : www.precot.com
CIN : L17111TZ1962PLC001183

Registrar and Share transfer agent

Link Intime India Pvt Limited,
"Surya", 35, Mayflower Avenue,
Senthil Nagar, Sowripalayam Road,
Coimbatore - 641028.
E-mail : coimbatore@linkintime.co.in

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Dear Shareholders,

Your directors hereby present the 53rd Annual Report along with the financial results for the year ended 31st March 2015.

Financial results	(₹ Lacs)	
	31.03.2015	31.03.2014
Revenue from operations	73161	73819
PBIDT	3561	8083
Less: Finance cost	3362	3241
Profit from Operations	199	4842
Other income	248	428
PBDT	447	5270
Less: Depreciation and Amortization	3691	3945
Profit / (Loss) before Tax	(3245)	1325
Less: Provision for Income Tax	-	322
MAT Credit	-	(322)
Deferred Tax	19	(992)
Add: Extraordinary Item (net of tax)	-	728
Profit After Tax	(3264)	3045
Add: Balance brought forward	(141)	(2677)
Less: Transfer to General Reserve	-	228
Add : Depreciation as per transition provision in Note 7(b) of Companies Act, 2013	(28)	-
Less: Provision for proposed dividend (including dividend tax)	-	281
Balance carried forward	(3433)	(141)

Dividend

Since this year's operations have resulted in a net loss, your directors have decided not to declare any dividend.

Economic overview and industry review

The global economic growth during 2014 was at a modest level of 3.4% with positive contributions coming from developing economies. Going by the World Economic Outlook, the growth rate is not expected to be significantly higher and projected to be 3.5% for the year 2015.

The new Indian government is setting the tone for achieving accelerated growth with a focus on manufacturing. Policy reforms, foreign investment inflows and reduced oil prices could play a key role in reaching the GDP target of around 8% in 2015-16 from the current level of 7.3%.

The year under review, 2014-15, was not a good year for the textile industry. Over the past few years, China was the biggest importer of Indian cotton and yarn. A shift in China's cotton policy saw cotton exports from India to China drop significantly. The policy also resulted in increased production of yarn in China using local cotton, which led to a sharp decline in Indian yarn exports. This, coupled with weak demand, created an oversupply of yarn in the domestic market, which resulted in a drop in yarn prices of around 7 - 8% during the year under review.

Review of operations

Despite falling yarn prices your company has managed to achieve a turnover of ₹ 732 crores, which is close to that of the previous year. High priced cotton inventory carried from the last season coupled with declining yarn prices contributed to the margins turning negative.

The technical textiles division has started showing signs of growth in terms of turnover. The cost of production continues to remain high due to underutilization of capacity. Our participation in global tenders and at exhibitions has started drawing the attention of global buyers but the process of retailers switching suppliers is a long drawn affair. We expect the division to break even at a cash level in the FY 2015-16.

Outlook for the current year

The current year's cotton production in India is expected to be around 400 lakh bales which will be higher than the previous year. With declining cotton exports, Indian cotton prices should have fallen. But the Cotton Corporation of India has been very active in purchasing cotton and maintaining prices.

This has resulted in Indian cotton prices being higher than international prices which in turn put pressure on yarn exports. Higher input costs like salaries and wages and power are also shrinking margins. Only an overall growth in domestic demand will allow yarn prices to improve.

Your company will continue to be prudent in expenditure and will take all steps to ensure maximum capacity utilization and efficiency.

Opportunities, risks and concerns

Though some of the developed economies are showing signs of recovery, the global economic scenario continues to be weak. European economic

stability, oil prices and geopolitical unrests could hold the key for the economic revival and such revival could take some time. While the Indian economic growth forecast is positive, it is largely dependent on the internal policy reforms, monetary policy and pick up in domestic consumption.

The mismatch between raw material and yarn prices along with a lack of availability of skilled labour is a major concern for the industry. Margins are also impacted on account of rising input costs.

Personnel

The company continues to maintain good relations with its labour across its units. The exercise of recruiting, training and deployment of trained labour, at added cost, continues in view of the shortage that has been persistent in Tamil Nadu.

Internal control systems & risk management

The company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed by the audit committee. The committee also reviews the statutory auditors' report, key issues, significant processes and accounting policies.

The company has constituted a risk management committee and adopted a policy on risk management. The audit committee of the board reviews the risk management report periodically.

Postal ballot

During the year, a special resolution was passed through postal ballot under section 180 (1)(a) of the Companies Act, 2013 ('the Act'), with requisite majority for authorising the board to create mortgage, charge or hypothecation of the assets of the company.

Number of meetings of the board

Five meetings of the board were held during the year. For details, please refer to the corporate governance report.

Directors

The independent directors have submitted their disclosures as per section 149 of the Act, so as to qualify themselves as independent directors.

Mr Prashanth Chandran retires by rotation at the ensuing annual general meeting. He is eligible for re-appointment.

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the listing agreement, the board at its meeting held on 06th February 2015, had evaluated its own performance, the directors individually and also the working of its audit, nomination and remuneration, corporate social responsibility, stakeholders' relationship, finance and risk management committees.

The performance evaluation of each director is done by the entire board of directors, excluding the director being evaluated, taking into consideration inputs received from the other directors, covering various aspects of the board's functioning such as active participation and contribution during discussions, effective deployment of knowledge and expertise towards the growth and betterment of the company, impact and influence on the growth of the company and performance of specific duties, obligations and governance.

Independent directors' evaluation was carried out by the entire board and that of the chairman and the non-independent directors was carried out by the independent directors.

Policy on directors' appointment and remuneration

The company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report.

Key managerial personnel

During the year under review, as per section 203 of the Act, the following employees were designated as whole-time key managerial personnel by the board of directors.

- i) Mr Ashwin Chandran, Managing Director
- ii) Mr M R Siva Shankar, Chief Financial Officer, and
- iii) Mr R Nithya Prabhu, Company Secretary

Particulars of employees

Statement pursuant to Section 197(12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:

Employed throughout the year and was in receipt of remuneration not less than ₹ 60 lacs per annum.

Name	Date of Joining	Designation	Qualification	Age	Ex-perience (Years)	No. of shares held	Remuneration (₹ in lacs)	Last employed
Mr Ashwin Chandran	01 st August, 1997	Vice Chairman and Managing Director	B Sc (Hons) MBA	39	17	23,07,457	63.60	-
Mr Ashok Kulkarni	01 st April 2012	CEO - Non Woven Division	B Sc (Chemistry) FTA Textile Association, Mumbai	66	37	-	72.00	Lavino Kapur Cotton Pvt. Ltd., Boisar Maharashtra

Note:

- Nature of employment is contractual.
- Mr Ashwin Chandran is related to Mr D Sarath Chandran, Chairman and Mr Prashanth Chandran, Joint Managing Director.

Particulars pursuant to rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year 2014-15:

Name	Ratio	% increase in remuneration
Mr D Sarath Chandran	17.4 : 1	16
Mr Vijay Mohan	0.3 : 1	50
Mr Sumanth Ramamurthi	0.3 : 1	36
Mr A Ramkrishna	0.7 : 1	36
Dr Jairam Varadaraj	0.4 : 1	100
Mr Ashwin Chandran	28.9 : 1	31
Mr Vijay Venkatasamy	0.6 : 1	35
Mr C N Srivatsan	0.5 : 1	(5)
Mr Suresh Jagannathan	0.3 : 1	300
Mr Prashanth Chandran	23.1 : 1	58
Ms Bhuvaneshwari	0.3 : 1	NA*
Mr M R Siva Shankar (CFO)	NA	16
Mr R Nithya Prabhu (CS)	NA	10

*Ms Bhuvaneshwari was not a director in the financial year 2013-14

Particulars	Issued Capital (Shares)	Market Price (in ₹)	PE Ratio	Market Capitalisation (₹ in crores)
31.03.2014	1,20,00,000	66.50	2.62	79.80
31.03.2015	1,20,00,000	54.70	(2.01)	65.64
Increase / (Decrease)	-	(11.80)		(14.16)
% Increase / (Decrease)	-	(17.74)		(17.74)

- b) The percentage increase in the median remuneration of employees in the financial year was 10%.

- c) The company has 1354 permanent employees on the rolls as on 31st March, 2015.

- d) Relationship between average increase in remuneration and company performance:

The company's PAT has grown from ₹ 20.69 crores in the FY 12-13 to ₹ 30.45 crores in the FY 13-14, an increase of 47%, against which the remuneration has been increased by an average of 10% during the FY 14-15 and this is in line with HR policy of the company.

- e) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company: The remuneration of KMP increased by around 19% in FY 14-15, compared to FY 13-14, in line with the HR policy of the company. The increments and annual bonus payouts of the employees including KMP are linked to individual performance, company's performance, industry benchmark and current compensation trends. The turnover of the company for the FY 14-15 was ₹ 732 crores and profit after tax was ₹ (33) crores.

- f) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

- g) Average percentage increase already made in the salaries of employees other than key managerial personnel in the last financial year was 10%. The average increase in the KMP was 19%. The increments are based on individual performance, company's performance, industry benchmark and current compensation trends.
- h) Comparison of remuneration of each of the KMP against the performance of the company:

Name	Designation	CTC for FY 14-15 (₹ in lacs)	% increase (FY 14-15 against 13-14)	Turnover	PAT
				(₹ in crores)	
Mr Ashwin Chandran	Managing Director	63.60	31%	732	(33)
Mr M R Siva Shankar	Chief Financial Officer	24.19	16%		
Mr R Nithya Prabhu	Company Secretary	4.84	10%		

- i) The key parameters for any variable component of remuneration availed by the directors: The company does not pay any remuneration to the non-executive directors, as they are paid only sitting fee for attending the meetings. With respect to executive directors, variable component is paid in the form of commission, which is based on the net profit.
- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : Mr Ashok Kulkarni, employee of the company receives remuneration in excess of Mr Ashwin Chandran, Managing Director of the company. The ratio is 1.1 : 1
- k) If remuneration is as per the remuneration policy of the company: Yes

The statement pursuant to section 129 (3) of the Act, containing the salient features of the financial statements of subsidiary companies, forms part of this annual report.

The company neither has any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding financial year nor has generated 20% of the consolidated income of the company during the previous financial year. The board has approved a policy for determining material subsidiaries which has been uploaded on the company's website www.precot.com.

The annual accounts of the subsidiary companies are kept for inspection by the shareholders at the registered office of the company. The company shall provide the copy of the annual accounts of subsidiary companies to the shareholders upon their request.

Subsidiary companies

The company has three subsidiaries namely 1. Suprem Textile Processing Limited 2. Multiflora Processing (CBE) Limited and 3. Precot Meridian Energy Limited. There are no associate companies within the meaning of section 2(6) of the Act. There has been no material change in the nature of the business of the subsidiaries.

As informed in our earlier report, Benwood Corporation Sdn Bhd, a subsidiary incorporated in Malaysia, has ceased operations and the liquidation process was completed during the year.

Audit committee

The details pertaining to composition of audit committee are included in the corporate governance report.

The company has formulated and published a Whistle Blower Policy to provide vigil mechanism for employees including directors of the company to report genuine concerns on the website of the company www.precot.com. The provisions of this policy are in line with the provisions of section 177(9) of the Act and the revised clause 49 of the listing agreement.

Corporate governance

A report on corporate governance is annexed to this report. This includes certain disclosures required under the provisions of the Companies Act, 2013. The company has complied with the conditions relating to corporate governance as stipulated in clause 49 of the listing agreement.

Corporate social responsibility (CSR)

The board at its meeting held on 30th May 2014 has formed a CSR committee comprising 1. Mr D Sarath Chandran, 2. Mr Ashwin Chandran and 3. Mr A Ramkrishna. The committee at its meeting held on 28th July 2014, has recommended a CSR policy. The CSR policy deals with allocation of funds, activities, identification of programmes, approval, implementation, monitoring and reporting.

For the FY 2014-15, the company is not required to spend on CSR activities because of the average net loss for the immediately preceding three financial years, as computed under the provisions of the Companies Act, 2013.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Auditors' report and secretarial auditors' report

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as Annexure A which forms part of this report.

Extract of annual return

The extract of annual return pursuant to section 92 read with rule 12 of the Companies (Management and Administration) Rules, 2014, in form MGT 9 is furnished as Annexure B to this report.

Related party transactions

All transactions entered into with related parties as defined under the Act and Clause 49 of the listing agreement during FY 14-15 were in the ordinary course of business and on an arm's length pricing basis. Therefore, it does not attract the provisions of section 188 of the Act and also there are no material contracts or arrangement or transactions and thus disclosure in form AOC-2 is not required.

The board has approved a policy for related party transactions which has been uploaded on the company's website www.precot.com.

Directors' responsibility statement

The directors confirm that:

- (a) The applicable accounting standards have been followed and proper explanations provided relating to material departures, if any
- (b) The company has adopted prudent and consistent accounting policies so as to give a true and fair view of the state of affairs of the company
- (c) Proper and sufficient care has been taken for maintenance of adequate accounting records under the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (d) The annual accounts of the company have been prepared on a going concern basis
- (e) The internal financial controls are adequate and are operating effectively
- (f) A proper system for ensuring compliance of all the applicable laws are put in place and are operating effectively

Statutory Auditors

M/s Haribhakti & Co. LLP, auditors of the company, retire at the ensuing annual general meeting. The audit committee and the board of directors of the company, pursuant to the provisions of section 139 of the Act and the rules framed thereunder, proposed the appointment of M/s Haribhakti & Co. LLP, as statutory auditors of the company from the conclusion of the forthcoming AGM till the conclusion of the 58th AGM to be held in the year 2020, subject to ratification of their appointment at every AGM. The company has received consent and confirmation from M/s Haribhakti & Co. LLP that, if appointed, it would be within the limits under the provisions of the Act.

During the year, M/s Haribhakti & Co. had been converted into a limited liability partnership (LLP) Accordingly, the audit of the company for FY 14-15 was conducted by M/s Haribhakti & Co. LLP.

Cost Auditors

Pursuant to section 148 of the Act, read with the Companies (Cost Records and Audit) Rules 2014, the board of directors, appointed Mr R Krishnan, as the cost auditor of the company for the FY 15-16.

Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr R Krishnan, cost auditor is included as item no. 4 of the AGM notice.

Fixed Deposits

During the year the company did not accept or renew any fixed deposit and no fixed deposit remained unclaimed with the company as on 31st March 2015.

Material Changes

No material changes or commitments affecting the financial position of the company occurred between the end of the financial year as on 31st March 2015 and the date of this report.

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

The company has constituted an internal complaints committee to address the complaints regarding sexual harassment. All employees are covered under this policy. The company has not received any such complaints during the financial year under review.

Unclaimed Shares

As on date the company has only 0.63% of the total shares, lying unclaimed. These shares were transferred to the unclaimed suspense account as required under the listing agreement.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details as required under section 134(3)(m) of the Act, read with rule 8 of the Companies (Accounts) Rules, 2014, is in Annexure C.

Significant and Material orders passed by the regulators or courts or tribunal

There are no significant and material orders passed by the regulators / courts / tribunals which would impact the going concern status and the company's operations in future.

Acknowledgement

Your directors thank the shareholders, customers, suppliers and bankers for their continued support during the year. Your directors also place on record their appreciation of the contributions made by employees at all levels towards the growth of the company.

Coimbatore
15th May, 2015

By order of the board
D Sarath Chandran
Chairman

**Annexure A
FORM NO. MR-3**

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015

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

To
The Members,
Precot Meridian Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PRECOT MERIDIAN LIMITED (herein after called the company). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the PRECOT MERIDIAN LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PRECOT MERIDIAN LIMITED for the financial year ended on 31st March, 2015 according to the provisions of :

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;

- v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
Not applicable as the company has not issued capital during the financial year under review.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Effective 28th October 2014);
Not applicable as the company has not provided share based employee benefits to the employees.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not applicable as the company has not issued debt securities during the financial year under review.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
Not applicable as the company is not registered as registrar to issue and transfer agent during the financial year under review.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
Not applicable as the company has not delisted its equity shares from any stock exchange during the financial year under review.

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
Not applicable as the company has not bought back any of its securities during the financial year under review.

I have also examined compliance with the applicable clauses of the following

- i) Secretarial standards issued by the Institute of Company Secretaries of India. (not applicable as not notified during the period under review).
ii) Listing agreements entered into by the company with the National Stock Exchange of India Limited.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except one board meeting which is convened at shorter notice, 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.

I 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 mentioned herein above.

G. Vasudevan

Coimbatore Practicing Company Secretary
15th May, 2015 Certificate of Practice no.: 6522

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

'Annexure A'

To

**The Members,
Precot Meridian Limited**

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

Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. 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.

G. Vasudevan

Coimbatore
15th May, 2015

Practicing Company Secretary
Certificate of practice no.: 6522

Annexure B
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015.

[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	L17111TZ1962PLC001183
ii) Registration date	02.06.1962
iii) Name of the company	Precot Meridian Limited
iv) Category / Sub-category of the company	Public limited company having share capital
v) Address of the registered office and contact details	SUPREM, No. 737, Green fields, Puliakulam Road, Coimbatore - 641045 Tel: 0422-4321100 Fax: 0422-4321200 Email : secretary@precot.com Website : www.precot.com
vi) Whether listed company	Yes
vii) Name, address and contact details of registrar and transfer agent, if any	Link Intime India Private Limited, Coimbatore Branch, "Surya", 35, Mayflower Avenue, Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. Email : coimbatore@linkintime.co.in Phone : 0422-2314792

II. Principal business activities of the company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No.	Name and description of main products / services	NIC code of the product/service	% to total turnover of the company
1	Cotton yarn	13111	84%

III. Particulars of holding, subsidiary and associate companies -

S. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary / Associate	% of shares held	Applicable section
1.	Precot Meridian Energy Limited SUPREM, No. 737, Green fields Puliakulam Road Coimbatore - 641045	U17111TZ2002PLC010408	Subsidiary	100	2(87)
2.	Suprem Textiles Processing Limited SUPREM, No. 737, Green fields Puliakulam Road, Coimbatore - 641045	U17121TZ1986PLC001834	Subsidiary	100	2(87)
3.	Multiflora Processing Coimbatore Limited SUPREM, No. 737, Green fields Puliakulam Road, Coimbatore - 641045	U01122TZ1994PLC008923	Subsidiary	100	2(87)

IV. Share holding pattern (Equity share capital breakup as percentage of total equity)
i) Category-wise share holding as of 31st March, 2015

S.No.	Category of shareholders	No. of shares held at the beginning of the year (01.04.2014)				No. of shares held at the end of the year (31.03.2015)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ HUF	7332137	-	7332137	61.10	7332137	-	7332137	61.10	-
(b)	Central/State Govt.(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	7332137	-	7332137	61.10	7332137	-	7332137	61.10	-
(2)	Foreign									
(a)	Individuals (Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	QFI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of promoter and promoter group (A)=(A)(1)+ (A)(2)	7332137	-	7332137	61.10	7332137	-	7332137	61.10	-
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual funds/UTI	237662	225	237887	1.98	237662	225	237887	1.98	-
(b)	FI/Banks	1125	-	1125	0.01	1125	-	1125	0.01	-
(c)	Central/ State Govt. (s)	-	-	-	-	-	-	-	-	-
(d)	Venture capital funds	-	-	-	-	-	-	-	-	-
(e)	Insurance companies	-	-	-	-	-	-	-	-	-
(f)	FII	49	200	249	-	49	200	249	-	-
(g)	Foreign venture capital	-	-	-	-	-	-	-	-	-
(h)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	238836	425	239261	1.99	238836	425	239261	1.99	-
(2)	Non-institutions									
(a)	Bodies corporate	415951	8050	424001	3.53	467987	6450	474437	3.95	+0.42
(b)	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 1 lac	1821713	861585	2683298	22.36	1923202	753922	2677124	22.30	-0.06
	Individuals - ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	1221274	21325	1242599	10.35	1098730	21325	1120055	9.33	-1.02
(c)	QFI	-	-	-	-	-	-	-	-	-
(d)	Any other	-	-	-	-	-	-	-	-	-
(d1)	Clearing member	9972	-	9972	0.08	12093	-	12093	0.10	+0.02
(d2)	HUF	48804	-	48804	0.41	47410	-	47410	0.39	-0.02
(d3)	Market maker	202	-	202	-	128	-	128	0.00	0.00
(d4)	NRI - Repat	14847	75	14922	0.12	16601	75	16676	0.13	+0.01
(d5)	NRI - Non repat	4804	-	4804	0.04	4804	-	4804	0.04	-
(d6)	Office bearers	-	-	-	-	-	-	-	-	-
(d7)	Unclaimed shares	-	-	-	-	75875	-	75875	0.63	+0.63
	Sub-total (B)(2)	3537567	891035	4428602	36.91	3646830	781772	4428602	36.90	+0.01
	Total public shareholding(B)=(B)(1)+(B)(2)	3776403	891460	4667863	38.90	3885666	782197	4667863	38.89	-0.01
	Total (A)+(B)	11108540	891460	12000000	100.00	11217803	782197	12000000	100.00	-

ii) Shareholding of promoters as on 31st March, 2015

S.No.	Shareholder's name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total share	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total share	
1.	Mr D Sarath Chandran	2841108	23.68	-	2841108	23.68	-	-
2.	Mr Ashwin Chandran	2307457	19.23	-	2307457	19.23	-	-
3.	Mr Prashanth Chandran	1971891	16.43	-	1971891	16.43	-	-
4.	Mrs Divya Chandran	191250	1.59	-	191250	1.59	-	-
5.	Mr Viren Mohan	14319	0.12	-	14319	0.12	-	-
6.	Mr Vijay Mohan	1950	0.02	-	1950	0.02	-	-
7.	Mr Vikram Mohan	1875	0.02	-	1875	0.02	-	-
8.	Mrs Vanitha Mohan	1275	0.01	-	1275	0.01	-	-
9.	Ms Madhura Mohan	1012	0.01	-	1012	0.01	-	-

iii) Change in promoters' shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year (01.04.2014)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7332137	61.10	7332137	61.10
2	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in the shareholding of the promoters during the year.			
3	At the end of the year	7332137	61.10	7332137	61.10

iv) Shareholding pattern of top ten shareholders
(Other than directors, promoters and holders of GDRs and ADRs)

S. No.	For each of the top 10 shareholders name date & reason of change	Shareholding at the beginning of the year (01.04.2014)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anilkumar Goel	326100	2.72	326100	2.72
	At the end of the year (31.03.2015)	326100	2.72	326100	2.72
2.	Gagandeep Credit Capital Pvt Ltd	269280	2.24	269280	2.24
	At the end of the year (31.03.2015)	269280	2.24	269280	2.24
3.	ICICI prudential Tax Plan	237562	1.98	237562	1.98
	At the end of the year (31.03.2015)	237562	1.98	237562	1.98

S. No.	For each of the top 10 shareholders name date & reason of change		Shareholding at the beginning of the year (01.04.2014)		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Vinodchandra Mansukhlal Parekh Sanjeev Vinodchandra Parekh		105343	0.88	105343	0.88
	At the end of the year (31.03.2015)		105343	0.88	105343	0.88
5.	Seema Goel		105000	0.87	105000	0.87
	At the end of the year (31.03.2015)		105000	0.87	105000	0.87
6.	Hiten Anantrai Sheth		60223	0.50	60223	0.50
	At the end of the year (31.03.2015)		60223	0.50	60223	0.50
7.	Bachh Raj Nahar		45652	0.38	45652	0.38
	At the end of the year (31.03.2015)		45652	0.38	45652	0.38
8.	Nirmala Arvind Solanki		42175	0.35	42175	0.35
	At the end of the year (31.03.2015)		42175	0.35	42175	0.35
9.	Hitesh Ramji Javeri		32000	0.26	32000	0.26
	Add	12.09.2014 Market Purchase	1500	0.01	33500	0.28
Add	30.09.2014 Market Purchase		6500	0.05	40000	0.33
	At the end of the year (31.03.2015)				40000	0.33
10.	Synergy Money Control Private Limited		-	-	-	-
Add	20.06.2014	Market purchase	12000	0.10	12000	0.10
Add	30.06.2014	Market purchase	20933	0.17	32933	0.27
Less	04.07.2014	Market sale	-1600	0.01	31333	0.26
Less	11.07.2014	Market sale	-254	0.00	31079	0.25
Add	18.07.2014	Market purchase	67	0.00	31146	0.26
Less	25.07.2014	Market sale	-500	0.00	30646	0.26
Add	12.09.2014	Market purchase	1000	0.01	31646	0.26
Add	19.09.2014	Market purchase	500	0.00	32146	0.27
Add	03.10.2014	Market purchase	500	0.00	32646	0.27
Less	10.10.2014	Market sale	-500	0.00	32146	0.27
Add	17.10.2014	Market purchase	500	0.00	32646	0.27
Add	14.11.2014	Market purchase	500	0.01	33146	0.28
Less	28.11.2014	Market sale	-1189	0.01	31957	0.27
Add	05.12.2014	Market purchase	500	0.00	32457	0.27
Less	12.12.2014	Market sale	-1500	0.01	30957	0.26
Add	19.12.2014	Market purchase	1279	0.01	32236	0.27
Less	31.12.2014	Market sale	-279	0.00	31957	0.27
Add	09.01.2015	Market purchase	22	0.00	31979	0.27
Less	23.01.2015	Market sale	-1000	0.01	30979	0.25
Add	30.01.2015	Market purchase	1275	0.01	32254	0.27
Add	13.02.2015	Market purchase	416	0.00	32670	0.27
Add	20.02.2015	Market purchase	87	0.00	32757	0.27
Add	06.03.2015	Market purchase	567	0.00	33324	0.27
Add	13.03.2015	Market purchase	760	0.01	34084	0.28
Add	20.03.2015	Market purchase	51	0.00	34135	0.28
Add	31.03.2015	Market purchase	1995	0.02	36130	0.30
	At the end of the year (31.03.2015)				36130	0.30

v) Shareholding of directors and KMP:

S. No.	Shareholding of each directors and each KMP	Shareholding at the beginning of the year (01.04.2014)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	A Ramkrishna	1200	0.01	1200	0.01
	At the end of the year (31.03.2015)	1200	0.01	1200	0.01
2.	Vijay Mohan	1950	0.02	1950	0.02
	At the end of the year (31.03.2015)	1950	0.02	1950	0.02
3.	Sumanth Ramamurthi	1350	0.01	1350	0.01
	At the end of the year (31.03.2015)	1350	0.01	1350	0.01
4.	Jairam Varadaraj	75	0.00	75	0.00
	At the end of the year (31.03.2015)	75	0.00	75	0.00
5.	Vijay Venkatasamy	1350	0.01	1350	0.01
	At the end of the year (31.03.2015)	1350	0.01	1350	0.01
6.	C N Srivatsan	-	-	-	-
	At the end of the year (31.03.2015)	-	-	-	-
7.	Suresh Jagannathan	-	-	-	-
	At the end of the year (31.03.2015)	-	-	-	-
8.	R Bhuvaneshwari	-	-	-	-
	At the end of the year (31.03.2015)	-	-	-	-
9.	M R Siva Shankar	-	-	-	-
	At the end of the year (31.03.2015)	-	-	-	-
10.	R Nithya Prabhu	-	-	-	-
	At the end of the year (31.03.2015)	-	-	-	-

V) Indebtedness

Indebtedness of the company including interest outstanding/ accrued but not due for payment. ₹ lacs

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	37370.02	7411.97	-	31296.97
ii) Interest due but not paid	0.98	-	-	0.98
iii) Interest accrued but not due	69.53	-	-	69.53
Total (i+ii+iii)	37440.53	7411.97	-	31367.48

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Change in indebtedness during the financial year				
* Addition	3444.00	4884.54	-	8328.54
* Reduction	7383.00	7411.97	-	12127.97
Net change	3939.00	(2527.43)	-	(3799.43)
Indebtedness at the end of the financial year				
i) Principal amount	33451.16	4884.54	-	27497.54
ii) Interest due but not paid	0.17	-	-	0.17
iii) Interest accrued but not due	74.65	-	-	74.65
Total (i+ii+iii)	33525.98	4884.54	-	27572.36

VI. Remuneration of directors and KMP -
A. Remuneration to managing director and whole-time directors:

₹ lacs

S. No.	Particulars of remuneration	Name of MD/WTD			Total amount
		Mr D Sarath Chandran	Mr Ashwin Chandran	Mr Prashanth Chandran	
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.00	60.00	48.00	144.00
	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	Others, please specify a) Provident fund	2.16	3.60	2.88	8.64
	Total (A)	38.16	63.60	50.88	152.64
	Ceiling as per schedule V of the Act	120.99	120.99	120.99	362.96

B. Remuneration to other directors

₹ lacs

S. No.	Particulars of remuneration	Name of directors	Total amount
1	Independent directors		
	a) Fee for attending board committee meetings	Mr A Ramkrishna	1.50
		Mr Sumanth Ramamurthi	0.75
		Mr Jairam Varadaraj	0.90
		Mr Vijay Venkatasamy	1.35
		Mr C N Srivatsan	1.05
		Mr Suresh Jagannathan	0.60
		Ms R Bhuvaneshwari	0.60
	b) Commission	-	-
	c) Others, please specify	-	-
	Total (1)		6.75
2	Other Non- executive directors		
	a) Fee for attending board committee meetings	Mr Vijay Mohan	0.60
	b) Commission		-
	c) Others, please specify		-
	Total (2)		0.60
	Total = (1+2)		7.35
	Total managerial remuneration		159.99

C. Remuneration to KMP other than MD/WTD

₹ lacs

S. No.	Particulars of remuneration	KMP		
		CS	CFO	Total
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.84	24.20	29.03
	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	Others, please specify	-	-	-
	Total	4.84	24.00	29.03

VII. Penalties / Punishment/ Compounding of 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			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other officers in default					
Penalty			None		
Punishment					
Compounding					

Annexure C
a. Foreign Exchange Earnings (₹ crores)

Earnings	-	219
Outflow	-	19
Net	-	200

b. Technology Absorption, Adaptation and Innovation Research and Development

Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of the products. No separate expenditure was incurred for R & D.

c. Conservation of Energy

Conservation of energy continues to receive increased emphasis at all the units of the company. Energy audits and inter unit comparisons are carried out on a regular basis for reduction of energy consumption. During the year, the company has spent ₹ 9 lacs towards capital expenditure on cost reduction and energy conservation equipments.

By order of the board
D Sarath Chandran
Chairman

REPORT ON CORPORATE GOVERNANCE
Company's philosophy on code of governance

The company adopts a self-governing corporate governance model to adhere to all the rules and regulations of the statutory authorities. It also discharge its duties and obligations in a fair and transparent manner with the object of maximizing the value of the stakeholders namely shareholders, employees, financial institutions, customers and suppliers.

Board of directors – composition, category and attendance

The company has a very balanced structure of the board of directors, which primarily takes care of the business needs and stakeholders' interest. The composition of the board also complies with the provisions of the Companies Act, 2013 and the listing agreement.

The board comprises of eleven directors which includes three executives and eight non-executive directors.

During the year 2014-15, the board of directors met five times at the registered office of the company on 30th May 2014, 1st August 2014, 25th September 2014, 6th November 2014 and 6th February 2015.

The last annual general meeting (AGM) was held on 5th September 2014.

Composition of directors and their attendance

Name of the director	Category	Attendance particulars		No. of directorships in other companies*	No. of committees	
		Board Meetings	Last AGM		Member	Chairman
D Sarath Chandran	Chairman - Executive - Promoter	5	Yes	6	3	-
Vijay Mohan	Non-Executive - Promoter	4	No	6	2	-
Sumanth Ramamurthi	Non-Executive - Independent	4	No	8	3	-
A Ramkrishna	Non-Executive - Independent	5	Yes	4	-	2
Jairam Varadaraj	Non-Executive - Independent	3	No	8	4	-
Ashwin Chandran	Vice Chairman and Managing Director - Executive - Promoter	5	Yes	3	1	-
Vijay Venkatasamy	Non-Executive - Independent	4	No	4	2	-
C N Srivatsan	Non-Executive - Independent	3	No	2	3	-
Suresh Jagannathan	Non-Executive - Independent	3	No	4	3	-
Prashanth Chandran	Joint Managing Director - Executive - Promoter	5	Yes	-	-	-
R Bhuvaneshwari	Non-Executive - Independent	3	No	1	-	-

*Excluding directorships in private companies and foreign companies.

Audit committee

The audit committee of the company is constituted in compliance with the provisions of section 177 of the Companies Act, 2013 and clause 49 III of the listing agreement with the stock exchange.

All the members of the audit committee are independent and they possess sound knowledge of finance, accounts and the textile industry. The quorum for audit committee meeting is two independent directors.

The chairman of the audit committee, Mr A Ramkrishna was present at the last annual general meeting.

The audit committee meetings were held at the registered office of the company and during the year the committee met four times on 23rd May 2014, 28th July 2014, 30th October 2014 and 30th January 2015. The composition of the audit committee and particulars of meetings attended by the members are given below:

Name of the member	Category	No. of meetings attended
A Ramkrishna - Chairman	Non Executive - Independent	4
Jairam Varadaraj	Non Executive - Independent	3
Vijay Venkatasamy	Non Executive - Independent	4
C N Srivatsan	Non Executive - Independent	3

The statutory auditors, internal auditor and executives of the company also attended the meetings. The minutes of the audit committee meetings were placed at the board meeting. The company secretary acts as the secretary of the committee.

Nomination and remuneration committee

The committee looks into and determines the company's policy with regard to the remuneration packages of the executive directors.

The executive directors are paid remuneration approved by the board of directors on the recommendation of nomination and remuneration committee. The remuneration so approved is subject to the approval by the shareholders at the general meeting and such other authorities as the case may be.

The company does not have employee stock option scheme.

The company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its executive directors.

During the year, the nomination and remuneration committee meeting was held on 30th October, 2014 and 23rd March, 2015 at the registered office of the company.

The composition and particulars of meetings attended by the members are given below.

Name of the member	Category	No. of meetings attended
A Ramkrishna - Chairman	Non Executive - Independent	2
Jairam Varadaraj	Non Executive - Independent	2
Vijay Venkatasamy	Non Executive - Independent	2

The company paid a sitting fee of ₹ 15,000 per meeting to its non-executive directors for attending meetings of the board of directors and the audit committee meetings.

The remuneration paid/payable to the executive directors of the company for the year ended 31st March 2015, are as under: (₹ in Lacs)

Name of the director	Salary and perks	Commission	Total	Service contract
D Sarath Chandran Chairman	38.16	-	38.16	01.04.2014 to 31.03.2017
Ashwin Chandran Vice Chairman and Managing Director	63.60	-	63.60	01.04.2014 to 31.03.2017
Prashanth Chandran Joint Managing Director	50.88	-	50.88	01.04.2014 to 31.03.2017

The company does not pay remuneration to any of its non-executive directors barring sitting fees for attending the meeting(s).

The details of the sitting fees paid during the year and number of shares held by the non-executive directors are as under:

Name of the director	Sitting fees (₹)	No. of shares held
Vijay Mohan	60,000	1950
Sumanth Ramamurthi	75,000	1350
A Ramkrishna	1,50,000	1200
Jairam Varadaraj	90,000	75
Vijay Venkatasamy	1,35,000	1350
C N Srivatsan	1,05,000	-
Suresh Jagannathan	60,000	-
R Bhuvaneshwari	60,000	-

There has been no materially relevant pecuniary transaction or relationship between the company and its non-executive directors during the year.

Policy for appointment and remuneration of directors, KMP and senior management

The nomination and remuneration committee (NR Committee) and the board of directors, have adopted a nomination and remuneration policy, which, inter alia, deals with the criteria for appointment of the directors, KMP and senior management personnel and their remuneration.

a) Criteria for appointment of directors

While recommending the appointment of the directors to the board, the NR committee shall consider criteria/ attributes like qualification, expertise, experience of the directors in their respective fields, professional or business standing and diversity of the board. The NR committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

b) Remuneration

For determining the remuneration of the directors, KMP and senior management personnel, the NR committee shall consider the following:

1. A non-executive director shall be entitled to receive sitting fees for each meeting of the board or committee of the board attended by him, of such sum as may be approved by the board of directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. Executive directors shall be paid such remuneration as may be recommended by the NR committee and the board with the approval of the shareholders at the AGM and it shall be within the overall limits prescribed under the Companies Act, 2013.
3. The remuneration including annual increment and performance bonus of KMP, senior management personnel and other employees, is decided based on the roles and responsibilities, the company's performance, individuals performance, industry benchmark and current compensation trends in the market.

Stakeholders' relationship committee

The committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints. The share transfers/transmissions are approved by the committee. The minutes of the committee are placed at the board meetings from time to time.

The composition of the stakeholders' relationship committee and particulars of meetings attended by the members are as follows:

Name	No. of meetings attended
D Sarath Chandran	26
A Ramkrishna - Chairman	26
Ashwin Chandran	26

Twenty six meetings of the stakeholders relationship committee were held during the year under review i.e. 11th April 2014, 18th April 2014, 02nd May 2014, 09th May 2014, 16th May 2014, 13th June 2014, 20th June 2014, 30th June 2014, 04th July 2014, 18th July 2014, 28th July 2014, 01st August 2014, 22nd August 2014, 28th August 2014, 19th September 2014, 30th September 2014, 17th October 2014, 24th October 2014, 21st November 2014, 28th November 2014, 26th December 2014, 31st December 2014, 30th January 2015, 06th February 2015, 20th March 2015 and 31st March 2015.

Independent directors' meeting

In accordance with the provisions of schedule IV of the Companies Act, 2013 and clause 49 of the listing agreement, a meeting of the independent directors of the company was held on 23rd March, 2015, without the attendance of non-independent directors and members of the management.

Terms and conditions for appointment of independent directors

The terms and conditions for appointment of independent directors are placed on company's website www.precot.com

Familiarisation program for independent directors

The details of familiarisation program for the independent directors are placed on the website of the company www.precot.com.

Compliance officer

R Nithya Prabhu
Company Secretary and Compliance Officer

Address for Correspondence

Precot Meridian Limited,
Regd Office: "SUPREM"
No. 737, Puliakulam Road, Coimbatore – 641045
Phone : 0422 - 4321100
Email: secretary@precot.com
Website : www.precot.com
CIN : L17111TZ1962PLC001183

Details of complaints received and redressed:

Opening balance	Received during the year	Redressed during the year	Closing balance
Nil	5	5	Nil

There were no outstanding complaints as on 31st March 2015.

Management analysis report

The management analysis report forms part of this annual report.

General body meetings

The general body meetings of the company during the preceding three years were held at Chamber towers, Avinashi Road, Coimbatore-641018

Details	Dates and time	Special Resolutions
EGM	07.03.2012 at 4.30 PM	Preferential allotment of equity shares and convertible share warrants under section 81(1A) of the Companies Act, 1956
2012, 50 th AGM	14.09.2012 at 4.30 PM	Nil
2013, 51 st AGM	20.09.2013 at 4.30 PM	<ol style="list-style-type: none"> 1. Alteration of articles of association of the company 2. Increase in authorised share capital of the company 3. Alteration of the memorandum of association, and 4. Issue of bonus shares.
2014, 52 nd AGM	05.09.2014 at 4.30 PM	<ol style="list-style-type: none"> 1. Appointment of Mr D Sarath Chandran as Chairman 2. Appointment of Mr Ashwin Chandran as Vice-Chairman and Managing Director 3. Appointment of Mr Prashanth Chandran as Joint Managing Director 4. Appointment of Mr A Ramkrishna as an independent director 5. Alteration of articles of association of the company and 6. Increase in borrowing power of the board in excess of the aggregate of the paid-up capital and free reserves of the company under section 180(1) (c) of the Companies Act, 2013.

No court convened meeting of members was held during the year.

Postal ballot

During the year, a special resolution was passed to authorise the board of directors of the company to mortgage, create charges or hypothecation as may be necessary, on the assets of the company, including the undertaking of the company under the provisions of section 180(1)(a) of the Companies Act, 2013. Mr G Vasudevan, Practicing Company Secretary was appointed as scrutinizer. The resolution has been passed with requisite majority.

Particulars	Total no. of valid votes	Votes in favour of resolution	% of votes cast	Votes against the resolution	% of votes cast
Votes cast through physical postal ballots	7433976	74,33,826	99.99%	150	0.01%
Votes cast through electronic mode	841	541	64.33%	300	35.67%
Total	7434817	7434367	99.99%	450	0.01%

Procedures specified in section 110 of the Companies Act, 2013 and the Companies (Passing of Resolutions by Postal Ballot), Rules 2014 were duly complied with.

Disclosures

- Details of transactions with related parties are provided in note no. 2.41 to notes forming part of the accounts in accordance with the provision of accounting standard 18. There is no materially significant related party transaction that may have potential conflict with the interest of the company at large.
- The company has prepared a risk management framework to identify, minimize and mitigate business and process related risk at predefined intervals.
- During the last 3 years, there were no strictures or penalties imposed on the company by either stock exchanges or SEBI or any statutory authority for non-compliance on any matter relating to the capital markets.
- The company has complied with all the mandatory requirements of corporate governance norms as enumerated in clause 49 of the listing agreement with the stock exchanges.
- CEO/CFO certificate: A certificate signed by the CEO and CFO has been placed at all board meetings.

Code of conduct

The board of directors has laid down a code of conduct for all the board members and senior management of the company. The same has been posted on the website of the company.

All board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review. A declaration to that effect signed by the chairman is attached and forms part of the annual report of the company.

Code of conduct for insider trading

As per SEBI (Prevention of insider trading) regulation, 1992, the company has adopted a code of conduct for prevention of insider trading. All the directors, employees at senior management level and other employees who could have access to the unpublished price sensitive information of the company are governed by this code. During the year under review there has been due compliance with the said code.

Means of communication

The quarterly, half-yearly and yearly financial results of the company are sent to the stock exchange immediately after the approval of the board. These are widely published in Business line (National issue) and Malai malar (Tamil daily). These results are simultaneously posted on the website of the company at www.precot.com

Results and reports of the company are also available in www.nseindia.com

There were no specific presentations made to institutional investors or to analysts during the year.

Official news releases are made whenever it is considered necessary.

General shareholder information

Annual general meeting	:	28 th August 2015
Venue	:	Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018
Financial year	:	1 st April to 31 st March
Date of book closure for dividend	:	21 st August 2015 to 27 th August 2015
Dividend payment date	:	Dividend not recommended for the FY 2014 - 15
Listing on stock exchanges	:	National Stock Exchange of India Limited (NSE)
Stock code	:	PRECOT, ISIN : INE283A01014

Market price, date and performance in comparison with S&P Nifty:

Month	Prices(₹)		S&P Nifty	
	Low	High	Low	High
April 2014	66.10	71.80	6675.30	6840.80
May 2014	69.00	89.40	6652.55	7367.10
June 2014	81.30	92.85	7362.50	7656.40
July 2014	79.60	91.35	7454.15	7830.60
August 2014	72.20	85.30	7568.55	7954.35
September 2014	71.30	80.95	7911.85	8173.90
October 2014	68.35	72.50	7748.20	8322.20
November 2014	66.50	72.60	8324.15	8588.25
December 2014	68.00	78.30	8029.80	8564.40
January 2015	68.30	73.15	8102.10	8952.35
February 2015	59.95	69.95	8526.35	8901.85
March 2015	53.15	61.75	8341.40	8996.25

Annual listing fee for the year 2015-16 was paid to NSE. The custodial fee to depositories for the FY 2015-16 will be paid on receipt of invoices from them.

Registrar and share transfer agent
(for both physical and demat segments)

Branch office:

M/s Link Intime India Pvt Limited,
Surya, 35 Mayflower Avenue, Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641 028.
E-mail : coimbatore@linkintime.co.in
Phone : 0422 - 2314792

Head office:

M/s Link Intime India Pvt Limited,
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (West) Avenue,
Mumbai - 400 078.

Share transfer process:

The company's shares are traded on the stock exchange only in electronic mode. Shares in physical form are processed by the registrar and transfer agents M/s Link Intime India Private Limited only after getting approval from stakeholders' relationship committee.

The share transfers are registered and returned within the period of 15 days of receipt if documents are in order.

Secretarial audit :

A qualified practicing company secretary carried out secretarial audit to reconcile the total admitted capital with NSDL and CDSL with the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in intact with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Share holding pattern as on 31st March 2015:

Category	No. of shares held	Percentage of holding
Promoters and Promoters group		
Indian	7332137	61.10
Public		
Mutual funds/UTI	237887	1.98
Financial Inst/ Banks	249	0.01
Bodies corporate	474437	3.95
Public and others	3955290	32.96
Total	12000000	100.00

Distribution of shareholding as on 31st March 2015:

Shareholding range	No. of holders	Percentage of holders	No. of shares	Percentage of shares
1-500	4843	79.50	791894	6.60
501-1000	576	9.46	414685	3.46
1001-2000	346	5.68	496089	4.14
2001-3000	115	1.89	281612	2.35
3001-4000	64	1.05	225313	1.87
4001-5000	26	0.42	119281	0.99
5001-10000	74	1.22	518365	4.31
10001&Above	48	0.78	9152761	76.28
Total	6092	100.00	12000000	100.00

Dematerialization status of shares as on 31st March 2015:

Particulars	No. of Shares	% to Share capital
National Securities Depository Limited	10139014	84.49
Central Depository Services (India) Limited	1078789	8.99
Total	11217803	93.48

There are no outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March 2015

Plant locations:

A Unit	: Kanjikode, Palakkad, Kerala
B Unit	: Kodigenahalli, Hindupur, Andhra Pradesh
M Unit	: Nanjegoundanpudur, Pollachi, Tamilnadu
C & D Units	: Chandrapuram, Walayar, Kerala
K Unit	: Gowribidnur, Kolar, Karnataka
P Unit	: Perundurai, Tamil Nadu
H unit	: Hassan, Karnataka.

Address for correspondence:

Precot Meridian Limited,
 Secretarial Department,
 Regd. Office: "SUPREM"
 No. 737, Puliakulam Road,
 Coimbatore – 641045
 Phone: 0422 - 4321100
 Email: secretary@precot.com
 Website: www.precot.com
 CIN: L17111TZ1962PLC001183

Coimbatore
 15th May, 2015

By order of the board
D Sarath Chandran
 Chairman

Declaration regarding compliance of company's code of conduct

All the board members and senior management personnel affirmed compliance with the code of conduct of the company for the financial year ended 31st March 2015.

Coimbatore
15th May, 2015

By order of the Board
D Sarath Chandran
Chairman

Compliance Certificate

To the members of Precot Meridian Limited

We have examined the compliance of conditions of corporate governance by Precot Meridian Limited, for the year ended on 31st March, 2015, as stipulated in clause 49 of the listing agreement of the said company with stock exchanges. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders/investors relations committee. We further state that such compliance is neither an assurance as to the future viability of the company nor the effectiveness with which the management has conducted the affairs of the company.

Coimbatore
15th May, 2015

G Vasudevan
Practicing Company Secretary
Certificate of Practice No. 6522

	2010	2011	2012	2013	2014	2015
						₹ Lacs
Operating Results						
Total revenue	43997	57997	60266	66717	73819	73161
PBIDT	6779	8556	(1395)	8939	9239	3808
Interest	1220	1459	2872	2612	3241	3362
PBDT	5559	7097	(4267)	6327	5998	446
Depreciation	2792	2696	2991	3032	3945	3691
Income Tax	470	872	250	228	322	-
Other Taxes	725	269	(2225)	998	(1314)	19
PAT	1572	3260	(5283)	2069	3045	(3264)
Dividend & Dividend Tax	405	808	-	94	281	-
Retained earnings	4684	5417	(4517)	6005	5395	446
Performance Parameters						
Net Fixed Assets (WDV)	20656	22081	24321	37276	36389	33591
Share Capital	695	695	748	800	1200	1200
Reserves & Surplus	13904	15855	11036	13175	14801	12265
Net worth	14599	16550	11784	13975	16001	13465
Long Term Borrowings	13859	13234	16435	26407	23925	22607
Debt : Equity	1.1	0.8	1.4	1.9	1.5	1.7
Dividend (%)	50	100	-	10	20	-
Earnings per share (₹)	23	47	(76)	17	25	(27)

Independent Auditors' report

To the Members of Precot Meridian Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Precot Meridian Limited ("the Company"), which comprise the balance sheet as at March 31, 2015, the statement of profit and loss, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to note no. 2.34 of standalone financial statements on discontinuance of application of Accounting Standards 30 & 32 on Financial Instruments with effect from financial year 2014-15.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 2.29 on contingent liabilities to the standalone financial statements;
- ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.05 to the standalone financial statements;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

Place : Coimbatore
Date : 15th May 2015

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No.: 103523W
C S Sathyanarayanan
Partner
M.No.: 028328

Annexure to Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Precot Meridian Limited on the standalone financial statements for the year ended 31.3.2015]

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- ii) a) The inventory (excluding stock lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. As informed no material discrepancies were noticed on physical verification carried out during the year.
- iii) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate

with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act and the rules framed there under.
- vii) a) The company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
- and
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise Duty and Penalties	432.74	2001-2002	Supreme Court
Central Sales Tax Act, 1956	Central Sales Tax	648.18	1998-99 & 1999-2000	Madras High Court
Central Excise Act 1944	Excise Duty and Penalties	29.78	2001 to 2003	CESTAT, Bangalore
Central Excise Act 1944	Excise Duty, Penalties and Interest	22.87	2008-2009	Commissioner Appeals, Kochi
Service Tax	Service Tax, Penalties and Interest	9.49	2007-08	Tribunal
Income Tax Act, 1961	Income Tax	547.50	AY 2009-10 to AY 2011-12	CIT (Appeals) Coimbatore
Income Tax Act, 1961	Income Tax (234 B waiver and interest u/s 220(2))	725.06	AY 1994-95 AY 1995-96 AY 1997-98 AY 2005-06	High Court Chennai and Income Tax Tribunal Chennai

- c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- viii) The company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.

- (ix) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No.: 103523W
C S Sathyanarayanan
Partner
M.No.: 028328

Place : Coimbatore
Date : 15th May 2015

	Note	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
Equity and Liabilities			
Shareholders' funds			
Share Capital	2.01	1,200.00	1,200.00
Reserves and Surplus	2.02	12,264.95	14,800.86
		<u>13,464.95</u>	<u>16,000.86</u>
Non-current liabilities			
Long Term Borrowings	2.03	18,246.37	19,454.04
Long Term Provisions	2.04	251.16	169.68
Other Non Current Liabilities	2.05	-	1,671.59
		<u>18,497.53</u>	<u>21,295.31</u>
Current Liabilities			
Short Term Borrowings	2.06	15,728.29	20,903.78
Trade Payables	2.07	1,300.15	2,232.80
Other Current Liabilities	2.08	8,321.56	8,593.13
Short Term Provisions	2.09	38.94	362.27
		<u>25,388.94</u>	<u>32,091.98</u>
		<u>57,351.42</u>	<u>69,388.15</u>
Assets			
Non-current Assets			
Fixed Assets	2.10		
Tangible Assets		33,422.68	36,245.61
Intangible Assets		100.21	119.94
Capital Work-in-progress		68.52	23.79
Non-current Investments	2.11	1,774.11	3,234.35
Deferred tax assets (Net)	2.39	-	18.91
Long Term loans and advances	2.12	3,079.06	2,095.01
		<u>38,444.58</u>	<u>41,737.61</u>
Current Assets			
Inventories	2.13	9,746.84	18,653.25
Trade receivables	2.14	4,065.01	4,344.44
Cash and cash equivalents	2.15	309.28	365.85
Short Term loans and advances	2.16	1,132.07	1,030.61
Other current assets	2.17	3,653.64	3,256.39
		<u>18,906.84</u>	<u>27,650.54</u>
		<u>57,351.42</u>	<u>69,388.15</u>

Significant accounting policies & Notes on Financial Statements 1 & 2.01 to 2.43

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No.: 103523W

C S Sathyanarayanan

Partner

M.No. : 028328

Place : Coimbatore

Date : 15th May 2015

D Sarath Chandran

Chairman

M R Siva Shankar

Chief Financial Officer

Ashwin Chandran

Vice Chairman and Managing Director

R Nithya Prabhu

Company Secretary



Statement of Profit and loss

	Note	2014-15	2013-14
		₹ Lacs	₹ Lacs
Revenue From Operations	2.18	73,160.81	73,819.09
Other income	2.19	247.78	427.51
Total Revenue		<u>73,408.59</u>	<u>74,246.60</u>
Expenses			
Cost of materials consumed	2.20	40,579.04	41,879.27
Changes in inventories of finished goods and work-in-progress	2.21	1,801.89	(2,082.76)
Purchase of Traded Goods		2,736.30	133.16
Employee benefits expense	2.22	7,580.15	6,889.80
Finance costs	2.23	3,362.41	3,241.10
Depreciation and amortization expense	2.24	3,691.49	3,944.90
Other expenses	2.25	18,374.57	18,916.34
Total Expenses		<u>78,125.85</u>	<u>72,921.81</u>
Profit / (Loss) before exceptional items		(4,717.26)	1,324.79
Exceptional items (Refer Note no: 2.40)		1,472.63	-
Profit / (Loss) before tax		(3,244.63)	1,324.79
Tax expense:			
Current tax		-	322.39
MAT Credit		-	(322.39)
Deferred tax		18.91	(991.75)
Add: Profit from Extraordinary items (net of tax expenses)		-	728.26
Profit / (Loss) for the year		<u>(3,263.54)</u>	<u>3,044.80</u>
Earnings per equity share (Nominal value of share ₹ 10)	2.26	(27.20)	25.37
Significant accounting policies & Notes on Financial Statements	1 & 2.01 to 2.43		

Vide our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No.: 103523W

C S Sathyanarayanan
Partner

M.No. : 028328
Place : Coimbatore
Date : 15th May 2015

D Sarath Chandran
Chairman

Ashwin Chandran
Vice Chairman and Managing Director

M R Siva Shankar
Chief Financial Officer

R Nithya Prabhu
Company Secretary

Notes on financial statement

1. Significant Accounting Policies

a. Accounting Convention

The financial statements have been prepared to comply in all material respects with the accounting standards specified under section 133 of the Companies Act read with rule 7 of the companies (Accounting Standards) Rules, 2014 and the relevant provisions of the companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. This accounting policy has been consistently applied by the company with those used in the previous year, except for the change in accounting policy as specified in note no 2.34 of the financial statement.

b. Use of Estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of Assets and Liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, employees' retirement benefit plan, provision for income and other taxes, useful life of fixed assets, etc. Actual results could differ from the estimates made. Any revision to accounting estimates is recognized prospectively in the year in which the events are materialized.

c. Fixed Assets

Fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation, accumulated amortisation and cumulative impairment if any. Costs include preoperative expenses and all expenses related to acquisition and installation of the assets concerned.

d. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All the other borrowing costs are charged to revenue. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

e. Impairment of Assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine

- i) the provision for impairment loss, if any, required or
- ii) the reversal, required of impairment loss recognised in previous periods, if any impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

f. Depreciation

Depreciation is provided on straight line method based on the useful life as Specified in schedule II of the Companies Act, 2013, except in respect of plant and machinery where the useful

life estimated to be 20 years (10 years on triple shift basis) based on technical assessment.

g. Investments

- a. Long Term Investments are stated at cost.
- b. Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.

h. Inventories

- a) Inventories are valued at lower of cost and estimated net realizable value.
- b) The basis of determining cost for various categories of inventories are as follows:-
 - i) Raw Materials, Packing Materials & Stores and Spares: Weighted average basis.
 - ii) Finished Goods and Goods-In-Process: Cost of Direct Material, Labour & Other Manufacturing Overheads.

i. Foreign Currency Transactions

- i) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- ii) Monetary assets and monetary liabilities at the year-end are realigned at the exchange rate prevailing at the year-end and the difference on realignment is recognized in the statement of Profit and Loss or fixed assets as the case may be.

j. Revenue Recognition

- i) The company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- ii) Sale of goods is recognised when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods.
- iii) Domestic sales as reported in the statement of profit and loss are exclusive of tax/duties, if any, and trade discounts. Income from export entitlements is accounted as and when the certainty of entitlement is determined.
- iv) Dividend income is recognised when the right to receive the dividend is unconditional at the balance sheet date.
- v) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

k. Taxes on Income

- i) Current Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.
- ii) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the

year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on business loss and unabsorbed depreciation are recognized and carried forward to the extent that there is virtual certainty that sufficient taxable income will be available against which such deferred tax asset can be realised.

- iii) Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

I. Employee Benefits

- i) Short-term employee benefits are recognised as an expense at the un-discounted amount in the statement of profit and loss of the year in which the related service is rendered.
- ii) Post employment and other long term benefits which are defined benefit plans are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered service. The expense is recognised based on the present value of the obligation determined in accordance with Revised Accounting Standard 15 on 'Employee Benefits'. Actuarial gains & losses are charged to the statement of profit and loss.
- iii) Payments to defined contribution schemes are charged as expense as and when incurred.
- iv) Termination benefits are recognised as an expense as and when incurred.

m. Government grants and subsidies

Grants and subsidies from the government are recognised when there is a reasonable assurance that the grant / subsidy will be received and all attached conditions will be complied with. Grant related to specific fixed assets are presented in the Balance sheet by showing such grant as deduction from the fixed asset concerned. Grants received in the nature of promoters contribution is credited to capital reserve and treated as a part of shareholders' fund. Grant in relation to

reimbursement of expenditure are credited to the natural head of expenditure to which the grant relate.

n. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share shareholders (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any. 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 are adjusted for the effects of all dilutive potential equity shares.

p. Cash and cash equivalents

Cash flow are reported using the indirect method, where by net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the company. Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

q. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability.

A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Share Holders' Fund	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
2.01 Share Capital		
Authorised		
2,00,00,000 Equity Shares of ₹ 10 each (31.03.2014 - 2,00,00,000 Equity Shares of ₹ 10 each)	2,000.00	2,000.00
Issued, Subscribed & fully Paid up		
120,00,000 Equity Shares of ₹ 10 each fully paid up (31.03.2014 - 1,20,00,000 Equity Shares of ₹ 10 each)	1,200.00	1,200.00
	1,200.00	1,200.00

i) Terms/rights attached to equity shares :

The company has only one class of issued shares referred to as equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend (except in case of interim dividend) proposed by the Board of Directors, if any, is subject to the approval of shareholders in the Annual General Meeting.

ii) The reconciliation of the number of shares outstanding is set out below.

	Equity Shares			
	As at 31.03.2015		As at 31.03. 2014	
	Number	₹ Lacs	Number	₹ Lacs
Equity Shares at the beginning of the year	1,20,00,000	1,200.00	80,00,000	800.00
Add: Equity Shares Issued during the year	-	-	40,00,000	400.00
Equity Shares at the end of the year	1,20,00,000	1,200.00	1,20,00,000	1,200.00

iii) Details of shareholder's holding more than 5% of Shares :

S. No.	Name of Shareholder	Equity Shares			
		As at 31.03.2015		As at 31.03.2014	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran	28,41,108	23.68%	28,41,108	23.68%
2	Ashwin Chandran	23,07,457	19.23%	23,07,457	19.23%
3	Prashanth Chandran	19,71,891	16.43%	19,71,891	16.43%

iv) 40,00,000 shares were allotted as bonus shares in the last five years by capitalisation of securities premium account during the year 2013-14.

2.02 Reserves and Surplus	As at		As at
	31.03.2015		31.03.2014
	₹ Lacs		₹ Lacs
a Capital Reserve			
Opening balance	48.19	48.19	
Add: Addition during the year (Refer Note No: 2.36)	<u>700.00</u>	-	
Closing balance	748.19		48.19
b Capital redemption Reserve			
Opening balance / Closing Balance	355.00		355.00
c Securities Premium account			
Opening balance	2,736.46	3,136.46	
Less: Deletion during the year	<u>-</u>	<u>400.00</u>	
Closing balance	2,736.46		2,736.46
d General Reserve			
Opening balance	11,858.12	11,629.76	
Add: Transfer from Statement of Profit and Loss	<u>-</u>	<u>228.36</u>	
Closing balance	11,858.12		11,858.12
e Investment Fair Value Reserve			
Opening balance	1,322.16	682.79	
Add: Addition during the year	-	639.37	
Less: Deletion during the year	<u>1,322.16</u>	<u>-</u>	
Closing balance	-		1,322.16
f Hedging Reserve			
Opening balance	(1,377.68)	-	
Add: Addition during the year	-	293.91	
Less: Deletion during the year	<u>1,377.68</u>	<u>1,671.59</u>	
Closing balance	-		(1,377.68)
G Surplus in Statement of Profit and Loss			
Opening balance	(141.39)	(2,677.04)	
Add: Profit / (Loss) for the year	(3,263.54)	3,044.80	
Less: Depreciation as per transition provision in Note 7 (b) of Schedule II of Companies Act, 2013 (refer Note No.2.37)	<u>(27.88)</u>	<u>-</u>	
Amount available for appropriation	(3,432.82)	367.76	
Less: Appropriations			
Proposed dividend on equity shares for the year	-	240.00	
Tax on dividend	-	40.79	
Transfer to General Reserve	<u>-</u>	<u>228.36</u>	
Closing balance	(3,432.82)		(141.39)
	<u>12,264.95</u>		<u>14,800.86</u>

Non Current Liabilities
2.03 Long Term Borrowings

	Non Current portion		Current maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Secured				
Term loans from Banks				
Ruppee Loan	18,044.83	19,076.73	3,971.95	3,563.45
Foreign Currency Loan	201.54	377.31	389.09	867.32
Unsecured				
Deferred payment liabilities				
Sales Tax Deferral loan	-	-	-	40.04
	18,246.37	19,454.04	4,361.04	4,470.81

1. a) Term loan from SBI, ICICI Bank, Andhra Bank, Export Import Bank of India and IDBI Bank are secured by way of pari passu first charge on entire movable and immovable assets of the company and pari passu second charge on current assets of the company.
- b) Term loan from IDBI Bank, Dubai Branch is secured by way of exclusive first charge on the windmills and related equipments, systems and assets located at Eragampatti and Manurpalayam Village in Tirupur district.
2. In respect of the above, Rupee Term Loans carry interest ranging from 8.5% p.a. to 13.61% p.a. and Foreign Currency Term Loans carry interest @ 3% p.a. plus applicable LIBOR.
3. Term loan from ICICI Bank for Rs. 12,000 Lacs is secured by way of exclusive first charge on the assets of the Technical Textile unit at Hassan, Karnataka and second charge on the entire moveable fixed assets of the unit at Hassan, ranking paripassu charge with ICICI bank's derivative limits for the unit at Hassan.
4. The outstanding balance of :
 - Ruppee term loan of ₹ 1,312.50 Lacs from Andhra Bank is repayable in 7 equal quarterly installments.
 - Ruppee Tuf loan – IV of ₹ 28.50 Lacs from IDBI Bank is repayable in 3 equal quarterly installments.
 - Ruppee Tuf loan – VIII of ₹ 60.00 Lacs from IDBI Bank is repayable in 1 quarterly installment.
 - Ruppee Tuf loan – IX of ₹ 288.48 Lacs from EXIM Bank is repayable in 7 equal quarterly installments.
 - Ruppee Tuf loan – X of ₹ 901.36 Lacs from EXIM Bank is repayable in 9 equal quarterly installments.
 - Ruppee Tuf loan – XI of ₹ 1,480.00 Lacs from EXIM Bank is repayable in 20 quarterly installments of varying amounts.
 - Ruppee Tuf loan – XII of ₹ 2,250.13 Lacs from SBI is repayable in 10 quarterly installments of varying amounts.
 - Ruppee Tuf loan XIII of ₹ 10,752.00 Lacs from ICICI Bank is repayable in 13 half yearly installments of varying amounts commencing from July 2014.
 - Ruppee Tuf Loan – XIV of ₹ 1,500.00 Lacs from EXIM Bank is repayable in 20 equal quarterly installments commencing from September 2015.
 - Ruppee Tuf Loan – XV of ₹ 943.81 Lacs from Andhra Bank is repayable in 20 equal quarterly installments commencing from September 2016.
 - Ruppee Corporate Loan of ₹ 2,500.00 Lacs from ICICI Bank is repayable in 20 equal quarterly installments commencing from September 2016.
 - Foreign Currency loan from IDBI Bank of USD 9.45 Lacs is repayable in 3 equal half yearly installments.

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
2.04 Long Term Provisions		
Provision for employee benefits - Gratuity (Funded) (Refer note no: 2.42)	251.16	169.68
	<u>251.16</u>	<u>169.68</u>
2.05 Other Non Current Liabilities		
Derivative Liability	-	1,671.59
	<u>-</u>	<u>1,671.59</u>
Current Liabilities		
2.06 Short Term Borrowings		
Secured		
Working Capital Loans		
From Banks		
- Rupee Loan	4,346.49	10,426.02
- Foreign Currency Loan	6,497.26	3,065.79
Unsecured		
From Bank		
- Rupee Loan	4,884.54	7,411.97
	<u>15,728.29</u>	<u>20,903.78</u>
1. Working capital loans from SBI, Andhra Bank, Corporation Bank, IDBI, ICICI, Yes Bank and The South Indian Bank are secured by way of pari passu first charge on current assets of the company and pari passu second charge on entire immovable assets of the company.		
2. In respect of the above, working capital rupee loans carry interest ranging from 10.45% p.a. to 14.35% p.a. and working capital foreign currency loans carry interest ranging from 1.65% p.a. to 2.70% p.a. plus applicable LIBOR.		
3. Unsecured short term loans from ICICI & IDBI Bank carry interest @ 10.25% p.a.		
2.07 Trade Payables		
Trade Payables	1,300.15	2,232.80
	<u>1,300.15</u>	<u>2,232.80</u>
The company is in the process of obtaining confirmations from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". In the opinion of the management there would be no interest payable on account of over due payments to Micro, Small and Medium Enterprises.		
2.08 Other Current Liabilities		
a) Current maturities of long-term debt (Refer note no: 2.03)	4,361.04	4,470.81
b) Interest accrued but not due on borrowings	74.65	69.53
c) Interest accrued and due on borrowings	0.17	0.98
d) Unclaimed dividends	25.14	24.94
e) Accrued employee benefits	706.30	660.53
f) Dues to subsidiaries/ related parties (Refer note no: 2.41)	-	22.88
g) Temporary overdraft from banks	-	2.93
h) Statutory dues payable	201.16	212.41
i) Other payables *	2,953.10	3,128.13
	<u>8,321.56</u>	<u>8,593.13</u>

* Other payables include security deposits, expenses payable and advances from customers

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
2.09 Short Term Provisions		
a) Provision for employee benefits Gratuity (Funded) (Refer note no: 2.42)	38.94	81.48
b) Others		
Provision for Taxation (Net of advance tax)	-	-
Proposed dividend	-	240.00
Provision for Tax on Dividend	-	40.79
	38.94	362.27

Non Current Assets
2.10 Fixed Assets

₹ Lacs

Particulars	Gross Block				Depreciation and Amortization					Net Block	
	As at 01.04.2014	Addition / Adjustments during the year	Deductions / Retirement during the year	As at 31.03.2015	Upto 31.03.2014	For the Year	Adjusted against surplus	Deduction / Adjustments during the year	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land	1,075.60	-	35.78	1,039.82	-	-	-	-	-	1,039.82	1,075.60
Building	10,000.10	101.49	1.38	10,100.21	2,101.23	271.41	-	-	2,372.64	7,727.57	7,898.87
Plant and Equipment	59,059.77	1,028.09	761.96	59,325.90	32,356.39	3,283.20	0.48	482.05	35,158.02	24,167.88	26,703.38
Vehicles	380.35	44.92	23.10	402.17	169.67	32.23	-	21.94	179.96	222.21	210.68
Office Furnitures	357.14	2.11	5.30	353.95	130.83	36.49	9.54	1.03	175.83	178.12	226.31
Computer	520.66	19.59	0.08	540.17	389.89	45.42	17.86	0.08	453.09	87.08	130.77
TOTAL (A)	71,393.62	1,196.20	827.60	71,762.22	35,148.01	3,668.75	27.88	505.10	38,339.54	33,422.68	36,245.61
Intangible Assets											
ERP Expenditure & Software	414.37	3.01	-	417.38	294.43	22.74	-	-	317.17	100.21	119.94
TOTAL (B)	414.37	3.01	-	417.38	294.43	22.74	-	-	317.17	100.21	119.94
TOTAL (A + B)	71,807.99	1,199.21	827.60	72,179.60	35,442.44	3,691.49	27.88	505.10	38,656.71	33,522.89	36,365.55
Previous Year	54,237.89	20,612.68	3,042.58	71,807.99	33,405.24	3,944.90	-	1,907.70	35,442.44	36,365.55	20,832.65
Capital Work- in-progress	-	-	-	-	-	-	-	-	-	68.52	23.79
Total	71,807.99	1,199.21	827.60	72,179.60	35,442.44	3,691.49	27.88	505.10	38,656.71	33,591.41	36,389.34
Previous Year										36,389.34	37,275.67

Note : Deduction / retirement during the year includes an amount of Rs.175.00 lacs being the subsidy / grant received from State Government of Karnataka.
(Refer Note No - 2.36)

2.11 Investments	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
Non Current Investments		
Trade Investments		
In Equity Shares - Unquoted, fully paid up at cost		
1,00,000 Vantex Limited of ₹ 10 each	19.00	19.00
12,06,000 A.P. Gas Power Corporation Limited of ₹ 10 each	1,964.87	1,964.87
2,25,000 Sai Regency Power Corporation Private Limited of ₹ 10 each	22.50	22.50
14,000 OPG Energy Private Limited of ₹ 10 each	1.40	1.40
Less : Diminution in the value of investment	(475.58)	(475.58)
	1,532.19	1,532.19
Others Investments		
In Equity Shares - Quoted, fully paid up		
27,90,000 Pricol Limited of ₹ 1 each (Previous Year - 54,62,250)	101.00	197.47
Market value - ₹ 843.98 lacs (Previous Year ₹ 1466.60 lacs)		
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
2,50,000 Multiflora Processing Coimbatore Limited of ₹ 10 each	25.00	25.00
1,00,000 Suprem Textiles Processing Limited of ₹ 100 each	100.00	100.00
50,000 Precot Meridian Energy Limited of ₹ 10 each	5.00	5.00
6,66,667 Benwood Corporation Sdn Bhd of RM.1 each (Refer Note No. 2.38)	-	41.61
In Equity Shares - Unquoted, fully paid up		
100 Precot Mills Employees Cooperative Credit Society of ₹ 10 each	0.01	0.01
100 Precot Mills Multi purpose stores of ₹ 10 each	0.01	0.01
10,000 Cotton Sourcing Company Ltd of ₹ 10 each	1.00	1.00
In Partnership Firm *	9.90	9.90
Add : Investment fair value adjustments (Refer Note no: 2.34)	-	1,322.16
	1,774.11	3,234.35
Aggregate amount of quoted investments	101.00	197.47
Market value of quoted investments	843.98	1,466.60
Aggregate amount of unquoted investments	2,148.69	2,190.29
* Investment in Partnership Firm - Suprem Associates		
Total Capital of the Firm	10.00	10.00
Share in the capital of the firm	9.90	9.90
Share of each partner in the profits of the Firm		
Precot Meridian Limited	99%	99%
Suprem Textile Processing Limited	1%	1%

	As at 31.03.2015	As at 31.03.2014
	₹ Lacs	₹ Lacs
2.12 Long Term Loans and Advances		
Unsecured, considered good		
Capital Advances	62.05	21.78
Security Deposits	1,091.00	601.22
MAT Credit Receivable	894.25	894.25
Derivative Asset	449.58	-
Tax Payments Pending Adjustments	574.72	548.93
Prepaid expenses	7.46	28.83
	<u>3,079.06</u>	<u>2,095.01</u>
2.13 Inventories		
a. Raw Materials and components (Includes goods in transit ₹ 382.79 lacs for the year 2014-15)	5,662.84	12,670.50
b. Work-in-progress	1,376.02	3,237.70
c. Finished goods	2,018.62	1,958.83
d. Waste cotton	173.99	123.63
e. Stores and spares	515.37	662.59
	<u>9,746.84</u>	<u>18,653.25</u>
2.14 Trade Receivables		
Unsecured, considered good		
Over six months	40.36	49.09
Others	4,024.65	4,295.35
	<u>4,065.01</u>	<u>4,344.44</u>
2.15 Cash and Cash Equivalents		
a) Balances with banks		
In current accounts	280.74	335.19
In unclaimed dividend accounts	25.14	24.94
b) Cash on hand	3.40	5.72
	<u>309.28</u>	<u>365.85</u>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 cash flow statement is ₹ 284.14 lacs (Previous year ₹ 340.91 Lacs).		
2.16 Short term loans and advances		
Unsecured, considered good		
Balance with Government authorities	371.64	277.60
Advance to trade suppliers	317.85	125.70
Prepaid expenses	309.13	457.04
Staff advances	72.43	65.47
Dues from Subsidiaries/ related parties (Refer note no: 2.41)	33.74	37.73
Other Advances	27.28	67.07
	<u>1,132.07</u>	<u>1,030.61</u>

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
2.17 Other Current Assets		
Unsecured, considered good		
Subsidy receivable from Government - (Refer Note No.2.35)	3,462.82	2,642.05
Less: Provision for doubtful receivables	190.93	-
	<u>3,271.89</u>	<u>2,642.05</u>
Export incentives receivable	276.80	467.75
Income accrued	104.95	133.09
Other receivables	-	13.50
	<u>3,653.64</u>	<u>3,256.39</u>
2.18 Revenue from Operations	2014-15	2013-14
Sale of Manufactured Goods		
Sale of Yarn	65,854.38	71,273.41
Sale of Fabrics	-	116.52
Sale of Technical Textile products	2,779.49	638.65
Sale of Traded Goods		
Sales of Yarn & Cotton	2,859.48	153.29
	<u>71,493.35</u>	<u>72,181.87</u>
Other operating revenue		
Scrap Sales	75.35	121.90
Export Incentive	581.48	545.22
Processing Income	978.32	937.62
Others	32.31	32.48
	<u>1,667.46</u>	<u>1,637.22</u>
	<u>73,160.81</u>	<u>73,819.09</u>
2.19 Other Income		
Interest Income	99.04	138.01
Dividend from long term investments	11.16	43.70
Profit on sale of assets (net)	78.68	208.63
Rent receipts	26.82	26.45
Insurance claim receipts	10.76	0.45
Miscellaneous Income	21.32	10.27
	<u>247.78</u>	<u>427.51</u>

	2014 - 15	2013 - 14
	₹ Lacs	₹ Lacs
2.20 Cost of materials consumed :		
Inventory at the beginning of the year	12,794.13	11,384.50
Add : Purchases	33,621.74	43,288.90
	46,415.87	54,673.40
Less: Inventory at the end of the year	5,836.83	12,794.13
	40,579.04	41,879.27
Details of Consumption	2014 - 15	2013 - 14
	% of consumption	% of consumption
	₹ Lacs	₹ Lacs
Imported	2.26%	4.16%
	916.77	1,742.70
Indigenous	97.74%	95.84%
	39,662.27	40,136.57
	100.00%	100.00%
	40,579.04	41,879.27
2.21 Changes in inventories of finished goods and work-in-progress		
Inventory at the end of the year		
Work in Progress	1,376.02	3,237.70
Finished Goods	2,018.62	1,958.83
	3,394.64	5,196.53
Less : Inventory at the beginning of the year		
Work in Progress	3,237.70	1,295.21
Finished Goods	1,958.83	1,818.56
	5,196.53	3,113.77
(Increase) / decrease in inventories	1,801.89	(2,082.76)
2.22 Employee benefits expense		
Salaries, Wages and Bonus	6,500.03	5,887.61
Contributions to Provident fund and other funds	523.01	507.33
Staff welfare expenses	557.11	494.86
	7,580.15	6,889.80
2.23 Finance Cost		
Interest expense (net)	3,280.80	3,182.74
Other borrowing costs	81.61	58.36
	3,362.41	3,241.10
2.24 Depreciation and Amortization		
Depreciation	3,668.75	3,920.01
Amortization of Intangible asset	22.74	24.89
	3,691.49	3,944.90

	2014 - 15 ₹ Lacs	2013 - 14 ₹ Lacs
2.25 Other Expenses		
Consumption of Stores & Spares	2189.53	2,209.13
Power & Utilities	8538.35	8,955.51
Processing Charges	139.26	133.61
Repairs and maintenance		
Machinery	2806.42	2,777.15
Building	488.40	456.94
Others	155.20	145.52
Rent	10.26	10.91
Rates and Taxes	48.35	49.85
Insurance Premium	55.66	53.42
Foreign Exchange loss (net)	157.86	304.04
Selling & Distribution expenses	2913.87	2,741.79
Bank Charges	98.28	99.23
Communication Expenses	68.05	64.40
Printing & Stationery	36.80	47.45
Travelling Expenses	113.87	232.03
Directors' Sitting fees	8.00	5.05
Professional Charges	66.77	222.11
Legal Charges	19.53	34.86
Auditor's Remuneration	14.99	12.45
Miscellaneous expenses	215.63	335.38
Bad debts written off	38.56	25.51
Provision for doubtful receivables (Refer Note No. 2.17)	190.93	-
	18,374.57	18,916.34
Payments to the auditor as		
a) Auditor		
- For Statutory Audit	7.00	6.25
- For Tax Audit	1.25	1.25
- For VAT Audit	1.50	1.50
b) For Certification services	0.95	1.32
c) For others	1.75	-
d) For reimbursement of expenses	0.99	0.84
e) Service Tax	1.55	1.29
	14.99	12.45

	2014 - 15 ₹ Lacs	2013 - 14 ₹ Lacs
2.26 Earnings per share		
Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(3,263.54)	3,044.80
Weighted Average number of equity shares used as denominator for calculating EPS (Restated)	1,20,00,000	1,20,00,000
Basic & Diluted Earnings / (Loss) per share (in ₹)	(27.20)	25.37
Face Value per equity share (in ₹)	10.00	10.00
	31.3.2015	31.3.2014
2.27 Estimated amount of contracts remaining to be executed on capital account and not provided for	321.27	54.84
2.28 Contingent liabilities in respect of :		
Bills discounted	1,939.66	1,449.18
Guarantees	288.00	4,784.28
Letters of credit outstanding	-	71.57
As at the Balance Sheet date, the Company's net foreign currency exposures that are not hedged by a derivative instrument or otherwise is ₹ 8,086.51 Lacs (₹ 3,074.41 Lacs as at 31 st March 2014).		
2.29 a. Disputed Statutory Liabilities not provided for (excluding interest & penalty, if any)	2,434.46	2,429.58
b. Disputed Other Liabilities not provided for (excluding interest & penalty, if any)	59.74	59.74
2.30 Earnings in Foreign Exchange :		
Export of Goods - FOB Value	21,907.68	19,281.96
2.31 Expenditure in Foreign Currency		
a. CIF Value of Imports :		
i Raw Materials	844.15	1,729.27
ii Components and Spares	213.89	507.54
iii Capital Goods	491.10	841.71
b. Export Commission	201.12	219.33
c. Quality Claim	5.72	9.85
d. Interest	148.62	179.59
e. Others	11.64	136.62
	1,916.24	3,623.91

2.32 The company has opted out of levy of Excise duty from July 2004

2.33 The Ministry of Corporate Affairs, through its notification dated March 31, 2009 has relaxed the provisions of Accounting Standard (AS) 11 “The Effects of Changes in Foreign Exchange Rates” for treating the exchange gain/loss arising on restatement of long term foreign currency monetary items. Accordingly, companies are permitted to adjust in their carrying cost of depreciable assets, the exchange differences arising out of exchange rate fluctuations with corresponding adjustments in Statement of Profit & Loss and general reserve in order to give effect to the aforesaid amendment, companies are required to exercise their option. The company has exercised the option and the following adjustments have been made.

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
a. Exchange difference capitalized during the year	33.10	274.13
b. Depreciation provision charged to statement of profit & loss thereon	212.15	213.90
c. Remaining amount to be amortized*	660.61	841.31

* The company amortizes only 95% of the value of its fixed assets

2.34 The company has been following the guidance given under AS 30 “Financial Instruments; Recognition and Measurement”. During the year, ICAI had issued exposure draft on guidance note on “Accounting for Derivative Contracts” and subsequently notified it on 12th May 2015 to be effective from 1st April 2016. An announcement was also issued in this regard wherein ICAI took cognizance of issues raised with respect to accounting treatment of financial instruments owing to global financial crisis and clarified that AS 30 was not expected to be continued in its present form since it is based on International Accounting Standard (IAS) 39, Financial Instruments: Recognition and Measurement, issued by the International Accounting Standards Board (IASB), which was under revision by the IASB. Considering the uncertainty in the matter, the Company has decided to discontinue the accounting policy adopted under AS 30. Accordingly, the company has reversed the hedging reserve and applied the principles of notified Accounting Standards 11. The company will revisit the accounting treatment on effective date of applicability of relevant guidance/accounting standards and appropriate treatment will be made. Had the Company continued with the existing accounting policy, investment would have been higher by ₹ 742.98 lacs; the

Reserves & Surplus would have been higher by ₹783.23 lacs, the current assets would have been higher by ₹20.33 lacs, Non-current assets would have been higher by ₹1018.99 lacs and the loss for the year would have been higher by ₹1008.06 lacs.

2.35 Subsidy receivable from government (net of provisions) represents ₹2051.07 lacs (previous year ₹1496.23 lacs) of interest subsidy on TUF scheme loans and ₹1145.82 (previous year ₹1145.82 lacs) of capital subsidy on investments and ₹ 75 lacs of grant receivable for reimbursement of expenditure from Karnataka Government.

2.36 During the year the company has received capital & revenue subsidy from Government of Karnataka under the “Suvarna Vastra Neethi” 2008-13 scheme. The Details of the subsidy received are as under:

- a) State Investment Subsidy of ₹ 700 lacs.
- b) Effluent Treatment Plant & Hazardous waste disposal facility – ₹ 300 Lacs.
- c) Reimbursement of Expenditure in relation to ESI, PF & power – ₹ 75 Lacs.

The amount of state investment subsidy received towards reimbursement of promoter’s contribution relating to technical textiles project

at Hassan has been classified as capital reserve under reserves and surplus. The amount received in respect of specific fixed asset has been shown as a deduction from the respective fixed asset and the amount received towards reimbursement of expenses has been credited to natural head of accounts. In the event of the conditions not being met the above subsidy shall be refundable.

2.37 Depreciation is provided on straight line method based on the useful life as specified in schedule II of the Companies Act, 2013, except in respect of plant and machinery where the useful life is estimated to be 20 years (10 years on triple shift basis) based on technical assessment.

Consequent to the above, depreciation for the year is lower by ₹ 557.34 lacs.

In respect of assets whose remaining useful life is already exhausted as at 1st April 2014, depreciation of ₹ 27.88 lacs has been adjusted against the opening balance of surplus in statement of profit and loss as on that date.

2.38 Benwood Corporation Sdn Bhd, the Malaysian subsidiary of the company had filed an application for Members' Voluntary Winding Up on 28th May 2013 and an order for winding up

has been passed on 29th December 2014. The excess of amount realised over the cost of investment has been appropriately considered.

2.39 Net Deferred tax asset has not been recognised considering prudence.

2.40 Exceptional items represents profit on sale of long term investments and the impact on account of Discontinuation of AS 30 & 32 as specified in note no. 2.34

2.41 Related Party Disclosure :

List of related parties with whom transactions have taken place

Holding Co : Nil

Subsidiary Cos. : Suprem Textiles Processing Limited, Multiflora Processing Coimbatore Limited, Precot Meridian Energy Limited, Benwood Corporation Sdn Bhd*

Key Management Personnel (KMP) : Mr D Sarath Chandran, Mr Ashwin Chandran and Mr Prashanth Chandran.

Others : Suprem Associates (Partnership firm), Pricol Limited, Pricol Packaging Limited and Mr Vijay Mohan

₹ Lacs

Nature of Transactions	FY 2014-15			FY 2013-14		
	Subsidiary Company	KMP	Others	Subsidiary Company	KMP	Others
Commission on Exports	-	-	-	1.13	-	-
Dividend Received	-	-	11.16	-	-	43.70
Advance for Expense	1.01	-	-	0.65	-	-
Remuneration	-	152.64	-	-	113.65	-
Purchase of spares	-	-	0.12	-	-	0.34
Purchase of packing materials	-	-	0.24	-	-	1.06
Sitting Fees	-	-	0.60	-	-	0.40
Amount Outstanding as at year end - Dr	1.66	-	32.08	0.65	-	37.08
Amount Outstanding as at year end - Cr	-	-	-	17.50	5.38	-

* Benwood Corporation Sdn Bhd, has ceased to be a subsidiary with effect from 29th December 2014.

2.42 Disclosure report under AS15 (Revised 2005)

₹ Lacs

I. Principal Actuarial Assumptions [Expressed as weighted averages]	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Discount rate	7.84%	9.11%	8.09%	8.70%	8.30%
Salary escalation rate	3.00%	4.50%	4.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%	2.00%
Expected rate of return on plan assets	8.25%	9.00%	9.00%	9.00%	9.00%

In the following tables, all the amounts are ₹ in lacs, unless otherwise stated

II. Changes in the present value of the obligation (PVO) - Reconciliation of opening and closing balances:					
PVO as at the beginning of the period	1229.97	1155.92	1042.24	918.92	781.32
Interest cost	92.26	103.60	88.96	74.15	63.06
Current service cost	106.87	102.74	52.29	47.73	40.28
Past service cost - (vested benefits)	-	-	-	-	12.29
Benefits paid	(106.32)	(37.44)	(39.42)	(51.02)	(61.18)
Actuarial loss / (gain) on obligation (balancing figure)	55.47	(94.84)	11.84	52.46	83.14
PVO as at the end of the period	1378.25	1229.97	1155.92	1042.24	918.92

III. Changes in the fair value of plan assets - Reconciliation of opening and closing balances:					
Fair value of plan assets as at the beginning of the period	978.81	926.61	887.94	906.82	576.15
Expected return on plan assets	85.26	42.87	78.14	79.32	64.85
Contributions	-	-	-	-	350.00
Benefits paid	(106.32)	(37.44)	(39.42)	(51.02)	(61.18)
Actuarial gain / (loss) on plan assets (balancing figure)	130.40	46.77	(0.05)	(47.18)	(23.01)
Fair value of plan assets as at the end of the period	1088.15	978.81	926.61	887.94	906.82

IV. Actual return on plan assets					
Expected return on plan assets	85.26	42.87	78.14	79.32	64.85
Actuarial gain / (loss) on plan assets	130.40	46.77	(0.05)	(47.18)	(23.00)
Actual return on plan assets	215.66	89.64	78.09	32.14	41.84

V. Actuarial gain / loss recognized					
Actuarial gain / (loss) for the period - Obligation	(55.47)	94.84	(11.84)	(52.46)	(83.14)
Actuarial gain / (loss) for the period-Plan assets	130.40	46.77	(0.05)	(47.18)	(23.01)
Total (gain) / loss for the period	(74.93)	(141.61)	11.89	99.64	106.14
Actuarial (gain)/loss recognised in the period	(74.93)	(141.61)	11.89	99.64	106.14

VI. Amounts recognised in the balance sheet and related analysis					
Present value of the obligation	1378.25	1229.97	1155.92	1042.24	918.92
Fair value of plan assets	1088.15	978.81	926.61	887.94	906.82
Difference	290.10	251.16	229.30	154.31	12.10
Liability recognised in the balance sheet	290.10	251.16	229.30	154.31	12.10

VII. Expense recognised in the statement of profit and loss	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Current service cost	106.87	102.74	52.29	47.73	40.28
Interest cost	92.26	103.60	88.96	74.15	63.06
Expected return on plan assets	(85.26)	(42.87)	(78.14)	(79.32)	(64.85)
Net actuarial (gain)/ loss recognised in the year	(74.93)	(141.61)	11.89	99.64	106.14
Past service cost-vested benefits	-	-	-	-	12.29
Expenses recognised in the statement of profit and loss	38.94	21.86	75.00	142.20	156.92

VIII. Movements in the liability recognized in the balance sheet					
Opening net liability	251.16	229.30	154.31	12.10	205.17
Expense as above	38.94	21.86	75.00	142.20	156.92
Contribution paid	-	-	-	-	(350.00)
Closing net liability	290.10	251.16	229.30	154.30	12.10

IX. Amount for the current period					
Present Value of obligation	1378.25	1229.97	1155.92	1042.24	918.92
Plan Assets	1088.15	978.81	926.61	887.94	906.82
Surplus / (Deficit)	(290.10)	(251.16)	(229.31)	(154.30)	(12.10)
Experience adjustments on plan liabilities - (Loss)/Gain	64.20	14.18	(54.95)	(91.01)	(32.22)
Experience adjustments on plan assets - (Loss)/Gain	122.65	46.77	(0.05)	(47.18)	(23.01)

X. Major categories of plan assets (as percentage of total plan assets)					
Fund managed by Insurer	100.00%	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

XI. Enterprise's best estimate of contribution during next year	NA	NA	NA	NA	NA

2.43 The amount and disclosure included in the financial statements of the previous year have been regrouped and reclassified wherever necessary to conform to the current year's classification.

Vide our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No.: 103523W
C S Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 15th May 2015

D Sarath Chandran
Chairman

M R Siva Shankar
Chief Financial Officer

Ashwin Chandran
Vice Chairman and Managing Director

R Nithya Prabhu
Company Secretary

	31.03.2015 ₹ Lacs		31.03.2014 ₹ Lacs
A. Cash Flow from Operating Activities			
Net Profit Before Tax and Extraordinary Items	(4,717.26)		1,324.79
Adjustments for :			
Depreciation	3,691.49	3944.90	
(Profit) / Loss on Sale of Assets	(78.68)	(208.63)	
Exceptional items	458.57	-	
Investment Income - Dividend	(11.16)	(43.70)	
Interest Income	(99.04)	(138.01)	
Interest Payment	3,362.41	3,241.10	
	<u>7,323.59</u>		<u>6,795.66</u>
Operating Profit before Working Capital changes	2,606.33		8,120.45
Adjustments for :			
Trade Receivables	279.43	(118.62)	
Other Receivables	(1,536.71)	(1,194.91)	
Inventories	8,906.41	(3,786.37)	
Trade Payables	(1,060.01)	1,028.99	
	<u>6,589.12</u>		<u>(4,070.91)</u>
Cash generated from Operations	8,970.92		4,049.54
Direct Taxes paid	(43.59)		(565.20)
Net Cash Flow from Operating Activities	8,927.33		3,484.34
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets (Including WIP)	(1,243.94)	(4,193.45)	
Sale of Fixed Assets	401.18	2,071.77	
(Purchase) / Sale of Investments	1,152.14	-	
Proceeds from capital investment subsidy	700.00	-	
Interest Received	127.17	149.73	
Dividend Received	11.16	43.70	
	<u>1147.71</u>		<u>(1,928.25)</u>
Net Cash flow from Investing Activities			
C. Cash Flow from Financing Activities			
Dividends Paid (Including Dividend Tax)	(280.59)	(98.28)	
Interest Paid (net)	(3,582.65)	(3,286.47)	
Interest Received (Swap)	-	224.53	
Proceeds from Long Term Borrowings	(1,317.43)	(2,482.58)	
Proceeds from Unsecured Loan	(2,527.43)	3,411.97	
Proceeds from working capital borrowings	(2,648.05)	4.88	
	<u>(10,356.15)</u>		<u>(2,225.95)</u>
Net Cash Flow from Financing Activities			
Net Increase / (Decrease) in Cash and Cash Equivalents	(56.58)		(669.86)
Cash and Cash Equivalents as at 1.4.2014 and 1.4.2013 (opening balance)	365.85		1,035.71
Less: Bank balances not considered as cash and cash equivalents as per Accounting Standard 3	25.14		24.94
Cash and Cash Equivalents as at 31.3.2015 and 31.3.2014 (closing balance)	284.14		340.91

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No.: 103523W

C S Sathyanarayanan

Partner

M.No. : 028328

Place : Coimbatore

Date : 15th May 2015

D Sarath Chandran

Chairman

M R Siva Shankar

Chief Financial Officer

Ashwin Chandran
Vice Chairman and Managing Director

R Nithya Prabhu
Company Secretary

Independent Auditors' Report

To the Members of Precot Meridian Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Precot Meridian Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing

standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2015, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to note no. 2.32 of consolidated

financial statements on discontinuance of application of Accounting Standards 30 & 32 on Financial Instruments with effect from financial year 2014-15.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial information reflects total assets (net) of ₹ 10.00 lacs as at March 31, 2015, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections(3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary companies incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account

maintained for the purpose of preparation of the consolidated financial statements;

- d. In our opinion, the aforesaid consolidated 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 written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 2.29 to the consolidated financial statements;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.05 to the consolidated financial statements in respect of such items as it relates to the Group;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Haribhakti & Co., LLP
Chartered Accountants
Firm Reg.No.: 103523W
C S Sathanarayanan
Partner
M.No.: 028328

Place : Coimbatore
Date : 15th May 2015

ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Precot Meridian Limited on the consolidated financial statements for the year ended 31st March 2015]

- i) a) The Group, has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) During the year, the fixed assets of the Group, have been physically verified by the management of the respective entities and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to their size and the nature of their assets.
- ii) a) The inventory of the Group, have been physically verified by the management of the respective entities during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management of the Group, are reasonable and adequate in relation to their size and the nature of its business.
- c) The Group, is maintaining proper records of inventory. As informed, no material discrepancies were noticed on physical verification carried out during the year.

iii) As informed, the Group, has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given by the management of the Group, there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the respective entities.

v) In our opinion and according to the information and explanations given by the management of the Group, the respective entities have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Group, under sub-section (1) of Section 148 of the Act and the rules framed there under.

vii) (a) The Group, is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

and

According to the information and explanations given by the management of the Group, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows :

No. of Component / Holding Company	Name of the Statute	Nature of dues	Amount (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
Holding Company	Central Excise Act 1944	Excise Duty and Penalties	432.74	2001-2002	Supreme Court
Holding Company	Central Sales Tax Act, 1956	Central Sales Tax	648.18	1998-99 & 1999-2000	Madras High Court
Holding Company	Central Excise Act 1944	Excise Duty and Penalties	29.78	2001 to 2003	CESTAT, Bangalore
Holding Company	Central Excise Act 1944	Excise Duty, Penalties and Interest	22.87	2008-2009	Commissioner Appeals, Kochi
Holding Company	Service Tax	Service Tax, Penalties and Interest	9.49	2007-08	Tribunal
Holding Company	Income Tax Act, 1961	Income Tax	547.50	AY 2009-10 to AY 2011-12	CIT (Appeals) Coimbatore
Holding Company	Income Tax Act, 1961	Income Tax (234 B waiver and interest u/s 220(2))	725.06	AY 1994-95 AY 1995-96 AY 1997-98 AY 2005-06	High Court Chennai and Income Tax Tribunal Chennai

c) According to the information and explanations given by the management of the Group, there have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the respective entities.

viii) The accumulated losses of the Group, are not more than fifty percent of the net worth of the respective entities. Further, the Group, has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.

ix) According to the information and explanations given by the management of the Group, the respective entities have not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).

x) According to the information and explanations given by the management of the Group, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions.

xi) According to the information and explanations given by the management of the Group, the term loans have been applied for the purpose for which the loans were obtained.

xii) During the course of examination of the books and records of the Group, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

For Haribhakti & Co., LLP
Chartered Accountants
Firm Reg.No.: 103523W
C S Sathyanarayanan
Partner
M.No.: 028328

Place : Coimbatore
Date : 15th May 2015

	Note	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
Equity and Liabilities			
Shareholders' funds			
Share Capital	2.01	1,200.00	1,200.00
Reserves and Surplus	2.02	12,174.47	14,773.30
Minority Interest		-	62.34
		<u>13,374.47</u>	<u>16,035.64</u>
Non-current liabilities			
Long Term Borrowings	2.03	18,246.37	19,454.04
Long Term Provisions	2.04	251.16	169.68
Other Non Current Liabilities	2.05	-	1,671.59
		<u>18,497.53</u>	<u>21,295.31</u>
Current Liabilities			
Short Term Borrowings	2.06	15,728.29	20,903.78
Trade Payables	2.07	1,300.15	2,237.52
Other Current Liabilities	2.08	8,321.96	8,575.84
Short Term Provisions	2.09	38.94	362.51
		<u>25,389.34</u>	<u>32,079.66</u>
		<u>57,261.34</u>	<u>69,410.61</u>
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.10	33,504.08	36,327.03
Intangible Assets		100.21	119.94
Capital Work-in-progress		68.52	23.79
Non-current Investments	2.11	1,636.09	3,035.03
Deferred tax assets (Net)	2.37	-	18.91
Long Term loans and advances	2.12	3,079.06	2,095.01
		<u>38,387.96</u>	<u>41,619.71</u>
Current Assets			
Inventories	2.13	9,746.84	18,653.25
Trade receivables	2.14	4,065.01	4,344.44
Cash and cash equivalents	2.15	309.56	482.97
Short Term loans and advances	2.16	1,098.33	1,053.85
Other current assets	2.17	3,653.64	3,256.39
		<u>18,873.38</u>	<u>27,790.90</u>
		<u>57,261.34</u>	<u>69,410.61</u>

Significant Accounting Policies and Notes on Financial Statements 1 & 2.01 to 2.42

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No.: 103523W

C S Sathyanarayanan

Partner

M.No. : 028328

Place : Coimbatore

Date : 15th May 2015

D Sarath Chandran

Chairman

M R Siva Shankar

Chief Financial Officer

Ashwin Chandran

Vice Chairman and Managing Director

R Nithya Prabhu

Company Secretary



Consolidated Statement of Profit and loss

	Note	2014-15	2013-14
		₹ Lacs	₹ Lacs
Revenue From Operations	2.18	73,160.82	73,819.09
Other income	2.19	248.62	429.19
Total Revenue		<u>73,409.44</u>	<u>74,248.28</u>
Expenses			
Cost of materials consumed	2.20	40,579.04	41,879.27
Changes in inventories of finished goods and work-in-progress	2.21	1,801.89	(2,082.76)
Purchase of Traded Goods		2,736.30	133.16
Employee benefits expense	2.22	7,580.15	6,889.80
Finance costs	2.23	3,362.41	3,241.10
Depreciation and amortization expense	2.24	3,691.49	3,944.90
Other expenses	2.25	18,375.79	18,919.30
Total Expenses		<u>78,127.07</u>	<u>72,924.77</u>
Profit / (Loss) before exceptional items		(4,717.63)	1,323.51
Exceptional items (Refer Note no: 2.38)		1,472.63	-
Profit / (Loss) before tax		(3,245.00)	1,323.51
Tax expense :			
Current tax		-	322.39
For earlier year		-	-
MAT Credit		-	(322.39)
Deferred tax		18.91	(991.75)
Profit transferred to minority interest		-	(0.76)
Add: Profit from Extraordinary items (net of tax expenses)		-	728.26
Profit / (Loss) for the year		<u>(3,263.91)</u>	<u>3,044.28</u>
Earnings per equity share (Nominal value of Share ₹ 10)	2.26	(27.20)	25.37

Significant Accounting Policies and Notes on Financial Statements 1 & 2.01 to 2.42

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No.: 103523W

C S Sathyanarayanan

Partner

M.No. : 028328

Place : Coimbatore

Date : 15th May 2015

D Sarath Chandran

Chairman

M R Siva Shankar

Chief Financial Officer

Ashwin Chandran

Vice Chairman and Managing Director

R Nithya Prabhu

Company Secretary

1 Significant Accounting Policies to the Consolidated Financial Statement
1.1 Principles of consolidation

The consolidated financial statements relate to Precot Meridian Limited (the "company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the company and its subsidiary companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profit or losses in accordance with Accounting Standard (AS)21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) The difference between cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii) As far as possible, the consolidated financial statements are prepared using accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

1.2 Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13 on "Accounting for investments."

1.3 Other Significant Accounting Policies :

These are set out under "Significant Accounting Policies" as given in the standalone financial statements of Precot Meridian Limited.

1.4 The names of subsidiaries/firms considered in the consolidated financial statements are :

	Name of Subsidiary	Country of Incorporation	% of ownership	Reporting Date
a)	Suprem Textiles Processing Ltd.,	India	100	31.03.2015
b)	Multiflora Processing (Coimbatore) Ltd.,	India	100	31.03.2015
c)	Precot Meridian Energy Ltd.,	India	100	31.03.2015
d)	Suprem Associates - Firm	India	99	31.03.2015

Share Holders' Fund
2.01 Share Capital

	As at 31.03.2015	As at 31.03.2014
Authorised	₹ Lacs	₹ Lacs
2,00,00,000 Equity Shares of ₹ 10 each (31 st March, 2014 - 2,00,00,000 equity shares of ₹ 10 each)	2,000.00	2,000.00
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of ₹10 each fully paid up (31 st March, 2014 - 1,20,00,000 equity shares of ₹ 10 each)	1,200.00	1,200.00
	1,200.00	1,200.00

i) Terms/rights attached to equity shares :

The company has only one class of issued shares referred to as equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend (except in case of interim dividend) proposed by the Board of Directors, if any, is subject to the approval of shareholders in the Annual General Meeting.

ii) The reconciliation of the number of shares outstanding is set out below:

	Equity Shares			
	As at 31.03.2015		As at 31.03. 2014	
	Number	₹ Lacs	Number	₹ Lacs
Equity Shares at the beginning of the year	1,20,00,000	1,200.00	80,00,000	800.00
Add: Shares Issued during the year	-	-	40,00,000	400.00
Equity Shares at the end of the year	<u>1,20,00,000</u>	<u>1,200.00</u>	<u>1,20,00,000</u>	<u>1,200.00</u>

iii) The details of Shareholders holding more than 5% of Shares :

S. No.	Name of Shareholder	Equity Shares			
		As at 31.03.2015		As at 31.03. 2014	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran	28,41,108	23.68	28,41,108	23.68
2	Ashwin Chandran	23,07,457	19.23	23,07,457	19.23
3	Prashanth Chandran	19,71,891	16.43	19,71,891	16.43

iv) 40,00,000 shares were allotted as bonus shares in the last five years by capitalisation of securities premium account during the year 2013-14.

2.02 Reserves and Surplus	As at 31.03.2015 ₹ Lacs	As at 31.03. 2014 ₹ Lacs
a Capital Reserve		
Opening balance	48.19	48.19
Add: Addition during the year (Refer Note No: 2.34)	<u>700.00</u>	
Closing balance	748.19	48.19
b Capital redemption Reserve		
Opening balance / Closing Balance	355.00	355.00
c Securities Premium account		
Opening balance	2,736.46	3,136.46
Less: Deletion during the year	<u>-</u>	<u>400.00</u>
Closing balance	2,736.46	2,736.46
d General Reserve		
Opening balance	11,858.12	11,629.76
Add: Transfer from Statement of Profit and Loss	<u>-</u>	<u>228.36</u>
Closing balance	11,858.12	11,858.12
e Investment Fair Value Reserve		
Opening balance	1,302.47	608.57
Add: Addition during the year	-	693.90
Less: Deletion during the year	<u>1,302.47</u>	<u>-</u>
Closing balance	-	1,302.47

	As at 31.03.2015 ₹ Lacs	As at 31.03. 2014 ₹ Lacs
f Foreign Currency Translation Reserve		
Opening Balance	79.81	75.26
Add : Addition during the year	-	4.55
Less : Deletion during the year	<u>79.81</u>	<u>-</u>
Closing balance	-	79.81
g Hedging Reserve		
Opening balance	(1,377.68)	-
Add: Addition during the year		293.91
Less: Deletion during the year	<u>1,377.68</u>	<u>1,671.59</u>
Closing balance	-	(1,377.68)
h Surplus in Statement of Profit and Loss		
Opening balance	(229.07)	(2,764.21)
Add: Profit / (Loss) for the year	(3,263.91)	3,044.28
Less: Deletion during the year	2.44	-
Less: Depreciation as per transition provision in Note 7 (b) of Schedule II of Companies Act, 2013 (refer Note No.2.35)	<u>(27.88)</u>	<u>-</u>
Amount available for appropriation	(3,523.30)	280.07
Less: Appropriations		
Proposed dividend on equity shares for the year	-	240.00
Tax on dividend	-	40.77
Transfer to General Reserve	-	228.36
Closing balance	<u>(3,523.30)</u>	<u>(229.07)</u>
Non Current Liabilities	<u>12,174.47</u>	<u>14,773.30</u>

2.03 Long Term Borrowings

	Non Current portion		Current maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
	₹ Lacs			
Secured				
Term loans from Banks				
Rupee Loan	18,044.83	19,076.73	3,971.95	3,563.45
Foreign Currency Loan	201.54	377.31	389.09	867.32
Unsecured				
Deferred payment liabilities				
Sales Tax Deferral loan	-	-	-	40.04
	<u>18,246.37</u>	<u>19,454.04</u>	<u>4,361.04</u>	<u>4,470.81</u>

- Term loan from SBI, ICICI Bank, Andhra Bank, Export Import Bank of India and IDBI Bank are secured by way of pari passu first charge on entire movable and immovable assets of the company and pari passu second charge on current assets of the company.
 - Term loan from IDBI Bank, Dubai Branch is secured by way of exclusive first charge on the windmills and related equipments, systems and assets located at Eragampatti and Manurpalayam Village in Tirupur district.
- In respect of the above, Rupee Term Loans carry interest ranging from 8.5% p.a. to 13.61% p.a. and Foreign Currency Term Loans carry interest @ 3% p.a. plus applicable LIBOR.
- Term loan from ICICI Bank for ₹12,000 Lacs is secured by way of exclusive first charge on the assets of the Technical Textile unit at Hassan, Karnataka and second charge on the entire moveable fixed assets of the unit at Hassan, ranking pari passu charge with ICICI bank's derivative limits for the unit at Hassan.
- The outstanding balance of:

Rupee term loan of ₹ 1312.50 Lacs from Andhra Bank is repayable in 7 equal quarterly installments.
 Rupee Tuf loan – IV of ₹ 28.50 Lacs from IDBI Bank is repayable in 3 equal quarterly installments.
 Rupee Tuf loan – VIII of ₹ 60.00 Lacs from IDBI Bank is repayable in 1 quarterly installment.
 Rupee Tuf loan – IX of ₹ 288.48 Lacs from EXIM Bank is repayable in 7 equal quarterly installments.
 Rupee Tuf loan – X of ₹ 901.36 Lacs from EXIM Bank is repayable in 9 equal quarterly installments.
 Rupee Tuf loan – XI of ₹ 1480.00 Lacs from EXIM Bank is repayable in 20 quarterly installments of varying amounts.
 Rupee Tuf loan – XII of ₹ 2250.13 Lacs from SBI is repayable in 10 quarterly installments of varying amounts.
 Rupee Tuf loan XIII of ₹ 10752.00 Lacs from ICICI Bank is repayable in 13 half yearly installments of varying amounts commencing from July 2014.
 Rupee Tuf Loan – XIV of ₹ 1500.00 Lacs from EXIM Bank is repayable in 20 equal quarterly installments commencing from September 2015.
 Rupee Tuf Loan – XV of ₹ 943.81 Lacs from Andhra Bank is repayable in 20 equal quarterly installments commencing from September 2016.
 Rupee Corporate Loan of ₹ 2500.00 Lacs from ICICI Bank is repayable in 20 equal quarterly installments commencing from September 2016.
 Foreign Currency loan from IDBI Bank of USD 9.45 Lacs is repayable in 3 equal half yearly installments.

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
2.04 Long Term Provisions		
Provision for employee benefits - Gratuity (Funded)	251.16	169.68
	251.16	169.68
2.05 Other Non-current Liabilities		
Derivative Liability	-	1,671.59
Current Liabilities	-	1,671.59
2.06 Short Term Borrowings		
Secured		
Working Capital Loans		
From Banks		
- Rupee Loan	4,346.49	10,426.02
- Foreign Currency Loan	6,497.26	3,065.79
Unsecured		
From Bank		
- Rupee Loan	4,884.54	7,411.97
	15,728.29	20,903.78
1. Working capital loans from SBI, Andhra Bank, Corporation Bank, IDBI, ICICI Bank, Yes Bank and The South Indian Bank are secured by way of pari passu first charge on current assets of the company and pari passu second charge on entire immovable assets of the company.		
2. In respect of the above, working capital rupee loans carry interest ranging from 10.45% p.a. to 14.35% p.a. and working capital foreign currency loans carry interest ranging from 1.65% p.a. to 2.70% p.a. plus applicable LIBOR.		
3. Unsecured short term loans from ICICI Bank & IDBI Bank carry interest @ 10.25% p.a.		
2.07 Trade Payables		
Trade Payables	1,300.15	2,237.52
	1,300.15	2,237.52

The company is in the process of obtaining confirmations from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". In the opinion of the management there would be no interest payable on account of over due payments to Micro, Small and Medium Enterprises.

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
2.08 Other Current Liabilities		
a) Current maturities of long-term debt (Refer note no: 2.03)	4,361.04	4,470.81
b) Interest accrued but not due on borrowings	74.65	69.53
c) Interest accrued and due on borrowings	0.17	0.98
d) Unclaimed dividends	25.14	24.94
e) Accrued employee benefits	706.30	660.53
f) Dues to related parties (Refer note no : 2.39)	-	5.38
g) Temporary over draft from banks	-	2.93
h) Statutory dues payable	201.16	212.41
i) Other Payables *	2,953.50	3,128.33
	8,321.96	8,575.84

* Other Payables include security deposits, expenses payable and advances from customers.

2.09 Short Term Provisions

a) Provision for employee benefits - Gratuity (Funded)	38.94	81.48
b) Others		
Provision for taxation (net of advance tax)	-	0.24
Proposed dividend	-	240.00
Provision for tax on dividend	-	40.79
	38.94	362.51

2.10 Fixed Assets

Particulars	Gross Block				Depreciation and Amortization					Net Block	
	As at 01.04.2014	Addition / Adjustments during the year	Deductions Retirement during the year	As at 31.03.2015	Upto 31.03.2014	For the Year	Adjusted against surplus	Deduction / Adjustments during the year	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land	1,157.00	-	35.78	1,121.22	-	-	-	-	-	1,121.22	1,157.00
Building	10,000.09	101.49	1.38	10,100.21	2,101.23	271.41	-	-	2,372.64	7,727.57	7,898.85
Plant and Equipment	59,059.77	1,028.09	761.96	59,325.90	32,356.39	3,283.20	0.48	482.05	35,158.02	24,167.88	26,703.38
Vehicles	380.36	44.92	23.10	402.17	169.67	32.23	-	21.94	179.96	222.21	210.71
Office Furnitures	357.14	2.11	5.30	353.95	130.83	36.49	9.54	1.03	175.83	178.12	226.31
Computer	520.66	19.59	0.08	540.17	389.89	45.42	17.86	0.08	453.09	87.08	130.78
TOTAL (A)	71,475.02	1,196.20	827.60	71,843.62	35,148.01	3,668.75	27.88	505.10	38,339.54	33,504.08	36,327.03
Intangible Assets											
ERP Expenditure & Software	414.37	3.01	-	417.38	294.43	22.74	-	-	317.17	100.21	119.94
TOTAL (B)	414.37	3.01	-	417.38	294.43	22.74	-	-	317.17	100.21	119.94
TOTAL (A + B)	71,889.39	1,199.21	827.60	72,261.00	35,442.44	3,691.49	27.88	505.10	38,656.71	33,604.29	36,446.97
Previous Year	54,319.29	20,612.67	3,042.57	71,889.39	33,405.23	3,944.90	-	1,907.70	35,442.44	36,446.97	20,914.06
Capital Work- in-progress	-	-	-	-	-	-	-	-	-	68.52	23.79
Total	71,889.39	1,199.21	827.60	72,261.00	35,442.44	3,691.49	27.88	505.10	38,656.71	33,672.81	36,470.75
Previous Year										36,470.76	37,357.08

Note : Deduction / retirement during the year includes an amount of Rs.175.00 lacs being the subsidy / grant received from State Government of Karnataka. (Refer Note No - 2.34)

	As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs		As at 31.03.2015 ₹ Lacs	As at 31.03.2014 ₹ Lacs
2.11 Non Current Investments			2.14 Trade Receivables		
Trade Investments			Unsecured, considered good		
In Equity Shares - Unquoted, fully paid up at cost			Over six months	40.36	49.09
1,00,000 Vantex Limited of ₹ 10 each	19.00	19.00	Others	4,024.65	4,295.35
12,06,000 A.P. Gas Power Corporation Limited of ₹ 10 each	1,964.87	1,964.87		<u>4,065.01</u>	<u>4,344.44</u>
2,25,000 Sai Regency Power Corporation Private Limited of ₹ 10 each	22.50	22.50	2.15 Cash and Cash Equivalents		
14,000 OPG Energy Private Limited of ₹ 10 each	1.40	1.40	a) Balances with banks		
Less: Diminution in the value of investment	(475.58)	(475.58)	In current accounts	281.02	452.31
	<u>1,532.19</u>	<u>1,532.19</u>	In unclaimed dividend accounts	25.14	24.94
Others Investments			b) Cash on hand	3.40	5.72
In Equity Shares - Quoted, fully paid up				<u>309.56</u>	<u>482.97</u>
30,00,000 Pricol Limited of ₹ 1 each (previous years 56,72, 250)	102.86	199.33	Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 cash flow statement is ₹ 284.42 lacs (Previous year ₹ 458.03 Lacs)		
Market value ₹ 907.50 lacs (Previous year ₹ 1522.89 lacs)			2.16 Short term loans and advances		
In Equity Shares - Unquoted, fully paid up			Unsecured, considered good		
100 Precot Mills Employees Cooperative Credit Society of ₹ 10 each	0.01	0.01	Balance with Government authorities	371.64	291.90
100 Precot Mills Multi purpose stores of ₹ 10 each	0.01	0.01	Advance to Trade Suppliers	317.85	171.87
10,000 Cotton Sourcing Company Limited shares of ₹ 10 each	1.00	1.00	Prepaid expenses	309.13	457.04
In Government Securities	0.02	0.02	Staff advances	72.43	65.47
Investment fair value adjustments (Refer Note No. 2.32)	-	1,302.47	Other advances	27.28	67.57
	<u>1,636.09</u>	<u>3,035.03</u>		<u>1,098.33</u>	<u>1,053.85</u>
Aggregate amount of quoted investments	102.86	199.33	2.17 Other Current Assets		
Market value of Quoted Investments	907.50	1,522.89	Unsecured, considered good		
Aggregate amount of unquoted investments	2,008.81	2,008.81	Subsidy receivable from Government - (Refer Note No.2.33)	3,462.82	2,642.05
			Less: Provision for Doubtful receivables	190.93	-
				<u>3,271.89</u>	<u>2,642.05</u>
2.12 Long Term Loans and Advances			Export incentives receivable	276.80	467.75
Unsecured, considered good			Income accrued	104.95	133.09
Capital Advances	62.05	21.78	Other receivables	-	13.50
Security Deposits	1,091.00	601.22		<u>3,653.64</u>	<u>3,256.39</u>
MAT Credit Receivable	894.25	894.25	2.18 Revenue from Operations	<u>2014-15</u>	<u>2013-14</u>
Derivative Asset	449.58	-	Sale of Manufactured Goods		
Tax Payments Pending Adjustments	574.72	548.93	Sale of Yarn	65,854.38	71,273.41
Prepaid expenses	7.46	28.83	Sale of Fabrics	-	116.52
	<u>3,079.06</u>	<u>2,095.01</u>	Sale of Technical Textile products	2,779.49	638.65
2.13 Inventories			Sale of Traded Goods		
Raw Materials and components (Includes Goods in transit Rs.382.79 lacs for the year 2014-15)	5,662.84	12,670.50	Sale of Yarn & Cotton	2,859.48	153.29
Work-in-progress	1,376.02	3,237.70		<u>71,493.35</u>	<u>72,181.87</u>
Finished goods	2,018.62	1,958.83	Other operating revenue		
Waste Cotton	173.99	123.63	Scrap Sales	75.35	121.90
Stores and spares	515.37	662.59	Export Incentive	581.48	545.22
	<u>9,746.84</u>	<u>18,653.25</u>	Processing Income	978.32	937.62
			Others	32.32	32.48
				<u>1,667.47</u>	<u>1,637.22</u>
				<u>73,160.82</u>	<u>73,819.09</u>

	2014 - 15	2013 - 14		2014 - 15	2013 - 14
	₹ Lacs	₹ Lacs		₹ Lacs	₹ Lacs
2.19 Other Income					
Interest Income	99.04	138.01	Processing Charges	139.26	133.61
Dividend from long term Investments	12.00	45.37	Repairs and maintenance		
Profit on sale of assets (net)	78.68	208.63	Machinery	2,806.42	2,777.15
Rent receipts	26.82	26.45	Building	488.40	456.94
Insurance claim receipts	10.76	0.45	Others	155.20	145.52
Miscellaneous Income	21.32	10.28	Rent	10.26	10.91
	<u>248.62</u>	<u>429.19</u>	Rates and Taxes	48.61	49.85
			Insurance Premium	55.66	53.42
			Foreign Exchange loss (net)	157.86	304.04
2014 - 15		2013 - 14	Selling & Distribution expenses	2913.87	2,741.79
₹ Lacs		₹ Lacs	Bank Charges	98.28	99.23
			Communication Expenses	68.05	64.40
2.20 Cost of materials consumed :			Printing & Stationery	36.80	47.45
Imported	2.26% 916.77	4.16% 1,742.70	Travelling Expenses	113.87	232.03
Indigenous	97.74% 39,662.27	95.84% 40,136.57	Directors' Sitting fees	8.00	5.05
	<u>100.00%</u> <u>40,579.04</u>	<u>100.00%</u> <u>41,879.27</u>	Professional Charges	66.92	222.37
			Legal Charges	19.53	34.86
2.21 Changes in inventories of finished goods and work-in-progress			Auditors' Remuneration	15.78	12.84
Inventory at the end of the year			Miscellaneous expenses	215.65	337.68
Work in Progress	1,376.02	3,237.70	Bad debts written off	38.56	25.51
Finished Goods	2,018.62	1,958.83	Provision for doubtful receivable	190.93	-
	<u>3,394.64</u>	<u>5,196.53</u>		<u>18,375.79</u>	<u>18,916.34</u>
Inventory at the beginning of the year			Payments to the auditor as		
Work in Progress	3,237.70	1,295.21	a) Auditor		
Finished Goods	1,958.83	1,818.56	- For Statutory Audit	7.54	6.43
Total	<u>5,196.53</u>	<u>3,113.77</u>	- For Tax Audit	1.25	1.25
(Increase)/decrease in Inventories	<u>1,801.89</u>	<u>(2,082.76)</u>	- For VAT Audit	1.50	1.50
			b) For Certification services	0.95	1.32
2.22 Employee benefits expense			c) For others	1.84	0.15
Salaries, Wages and Bonus	6,500.03	5,887.61	c) For reimbursement of expenses	1.08	0.86
Contributions to Provident fund and other funds	523.01	507.33	d) Service Tax	1.62	1.33
Staff welfare expenses	557.11	494.86		<u>15.78</u>	<u>12.84</u>
	<u>7,580.15</u>	<u>6,889.80</u>			
			2.26 Earnings per share		
2.23 Finance Cost			Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(3,263.91)	3,044.28
Interest expense	3,280.80	3,182.74	Weighted Average number of equity shares used as denominator for calculating EPS (Nos)	1,20,00,000	1,20,00,000
Other borrowing costs	81.61	58.36	Basic & Diluted Earnings / (Loss) per share (in ₹)	(27.20)	25.37
	<u>3,362.41</u>	<u>3,241.10</u>	Face Value per equity share (in ₹)	10.00	10.00
2.24 Depreciation and Amortization					
Depreciation	3,668.75	3,920.01			
Amortization of Intangible asset	22.74	24.89			
	<u>3,691.49</u>	<u>3,944.90</u>			
2.25 Other Expenses					
Consumption of Stores & Spares	2,189.53	2,209.13			
Power & Utilities	8,538.35	8,955.51			

	31.03.2015 ₹ Lacs	31.03.2014 ₹ Lacs
2.27		
Estimated amount of contracts remaining to be executed on capital account and not provided for	321.27	54.84
2.28 Contingent liabilities in respect of :		
Bills discounted	1,939.66	1,449.18
Guarantees	288.00	4,784.28
Letters of credit outstanding	-	71.57
As at the Balance Sheet date, the Company's net foreign currency exposures that are not hedged by a derivative instrument or otherwise is ₹ 8086.51 Lacs (₹ 3,074.41 Lacs as at March 31, 2014).		
2.29 a.		
Disputed Statutory Liabilities not provided for (excluding interest & penalty, if any)	2,434.46	2,429.58
b.		
Disputed Other Liabilities not provided for (excluding interest & penalty, if any)	59.74	59.74
2.30		
The Company has opted out of levy of Excise duty from July 2004.		
2.31		
The Ministry of Corporate Affairs, through its notification dated March 31,2009 has relaxed the provisions of Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" for treating the exchange gain/loss arising on restatement of long term foreign currency monetary items. Accordingly, companies are permitted to adjust in their carrying cost of depreciable assets, the exchange differences arising out of exchange rate fluctuations with corresponding adjustments in Statement of Profit & Loss and general reserve in order to give effect to the aforesaid amendment, companies are required to exercise their option. The company has exercised the option and the following adjustments have been made.		
a.		
Exchange difference capitalized during the year	33.10	274.13
b.		
Depreciation provision charged to statement of profit & loss thereon	212.15	213.90
c.		
Remaining amount to be amortized*	660.61	841.31
* The company amortizes only 95% of the value of its fixed assets		
2.32		
The company has been following the guidance given under AS 30 "Financial Instruments; Recognition and Measurement". During the year, ICAI had issued exposure draft on guidance note on "Accounting for Derivative Contracts" and subsequently notified it on 12 th May 2015 to be effective from 1 st April 2016. An announcement was also issued in this regard wherein ICAI took cognizance of issues raised with respect to accounting treatment of financial instruments owing to global financial crisis and clarified that AS 30 was not expected to be continued in its present form since it is based on International Accounting Standard (IAS) 39, Financial Instruments: Recognition and Measurement, issued by the International Accounting Standards Board (IASB), which was under revision by the IASB. Considering the uncertainty in the matter, the Company has decided to discontinue the accounting policy adopted under AS 30. Accordingly, the company has reversed the hedging reserve and applied the principles of notified Accounting Standards 11. The company will revisit the accounting treatment on effective date of applicability of relevant guidance/accounting standards and appropriate		

treatment will be made. Had the Company continued with the existing accounting policy, investment would have been higher by ₹ 742.98 lacs; the Reserves & Surplus would have been higher by ₹783.23 lacs, the current assets would have been higher by ₹20.33 lacs, Non-current assets would have been higher by ₹1018.99 lacs and the loss for the year would have been higher by ₹1008.06 lacs.

2.33 Subsidy receivable from government (net of provisions) represents ₹ 2051.07 lacs (previous year ₹ 1496.23 lacs) of interest subsidy on TUF scheme loans and ₹ 1145.82 (previous year ₹ 1145.82 lacs) of capital subsidy on investments and ₹ 75 lacs of grant receivable for reimbursement of expenditure from Karnataka Government.

2.34 During the year the company has received capital & revenue subsidy from Government of Karnataka under the "Suvarna Vastra Neethi" 2008-13 scheme. The Details of the subsidy received are as under:

- State Investment Subsidy of ₹ 700 lacs.
- Effluent Treatment Plant & Hazardous waste disposal facility - ₹ 300 Lacs.
- Reimbursement of Expenditure in relation to ESI, PF & power - ₹ 75 Lacs.

The Amount of state investment subsidy received towards reimbursement of promoter's contribution relating to technical textiles project at Hassan has been classified as capital reserves under reserves and surplus. The amount received in respect of specific fixed asset has been shown as a deduction from the respective fixed asset and the amount received towards reimbursement of expenses has been credited to natural head of accounts. In the event of the conditions not being met the above subsidy shall be refundable.

2.35 Depreciation is provided on straight line method based on the useful life as specified in schedule II of the Companies Act, 2013, except in respect of plant and machinery where the useful life is estimated to be 20 years (10 years on triple shift basis) based on technical assessment.

Consequent to the above, depreciation for the year is lower by ₹ 557.34 lacs.

In respect of assets whose remaining useful life is already exhausted as at April 1, 2014, depreciation of ₹ 27.88 lacs has been adjusted against the opening balance of Retained Earnings as on that date.

2.36 Benwood Corporation Sdn Bhd, the Malaysian subsidiary of the company had filed an application for Members' Voluntary Winding Up on 28th May 2013 and an order for winding up has been passed on 29.12.2014. The excess of amount realised over the cost of investment has been appropriately considered.

2.37 Net Deferred tax asset has not been recognised considering prudence.

2.38 Exceptional items represents profit on sale of long term investments and the impact on account of Discontinuation of AS 30 & 32 as specified in note no. 2.32.

2.39 Related Party Disclosure :

List of related parties with whom transactions have taken place.

Key Management Personnel (KMP) : Mr. D Sarath Chandran, Mr. Ashwin Chandran and Mr. Prashanth Chandran.

Others : Pricol Limited, Pricol Packaging Limited, Mr. Vijay Mohan.

Nature of Transactions	2014-15		2013-14			Extraordinary items	2014-2015	2013-2014
	KMP	Others	KMP	Others			₹ Lacs	₹ Lacs
							-	728.26
Dividend Received	-	12.00	-	45.38	3	Net Profit / (Loss)	(4,736.54)	3,044.29
Remuneration	152.64	-	113.65	-		Segment Assets		
Purchase of spares	-	0.12	-	0.34		- Domestic	5,937.78	4,948.46
Purchase of packing materials	-	0.24	-	1.06		- Export	969.74	18,209.68
Sitting Fees	-	0.60	-	0.40	4	- Unallocated	50,353.82	46,252.47
Amount Outstanding as at year end - Dr	-	32.08	-	37.08		Total Assets	57,261.34	69,410.61
Amount Outstanding as at year end - Cr	-	-	5.38	-	5	Segment Liabilities		
						- Domestic	31,247.82	40,432.52
						- Export	7,270.76	4,443.82
						- Unallocated	5,368.29	8,498.62
						Total Liabilities	43,886.87	53,374.96
					6	Capital Expenditure		
						- Unallocated	11,06.91	4,193.44
						Depreciation & Amortisation		
						- Unallocated	3,691.49	3,944.90
2.40 Geographical Segment								
1 Segment Revenue						Note :		
- Domestic Sales			50,083.34	53,709.32		1. The company has considered geographical segments as its primary segments which are domestic and export sales. The operations comprise of only one segment viz Textiles, therefore, there are not other business segments to be reported under AS-17.		
- Export Sales			23,077.48	20,109.77		2. As per Accounting Standard on Segment reporting (AS-17), "Segment Reporting", the company has reported segment information on consolidated basis including business conducted through its subsidiaries.		
Total Revenue			73,160.82	73,819.09		2.41 Other notes forming part of accounts :		
2 Segment Results						These are setout in and under "Notes to Financial Statements forming part of accounts for the year ended 31 st March 2015" as give in the Standalone Financial Statements.		
- Domestic			1,429.13	5,879.09		2.42 The amounts and disclosures included in the financial statements of the previous year have been regrouped and reclassified where ever necessary to conform to the current year's classification.		
- Export			658.52	2,201.24				
Less : Depreciation & Amortisation								
- Unallocated			3,691.49	3,944.90				
Total Operating Profit			(1,603.84)	4,135.42				
Add : Other Income			248.62	429.19				
Less : Interest			3,362.41	3,241.10				
Less : Provision for Tax			18.91	(669.36)				
Add : MAT Credit			-	(322.39)				
Less : Minority Interest			-	(0.76)				

Vide our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No.: 103523W
C S Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 15th May 2015

D Sarath Chandran
Chairman

Ashwin Chandran
Vice Chairman and Managing Director

M R Siva Shankar
Chief Financial Officer

R Nithya Prabhu
Company Secretary

Consolidated Cash Flow Statement

	31.03.2015 ₹ Lacs		31.03.2014 ₹ Lacs
A. Cash Flow from Operating Activities			
Net Profit Before Tax and Extraordinary Items	(4,717.63)		1,323.51
Adjustments for :			
Depreciation	3,691.49	3,944.90	
(Profit)/Loss on Sale of Assets	(78.68)	(208.63)	
Exceptional items	458.57	-	
Investment Income - Dividend	(12.00)	(45.38)	
Interest Income	(99.04)	(138.01)	
Interest Payment	3,362.41	3,241.10	
Foreign Currency Translation Reserve	(79.81)	4.55	
Minority Interest	(64.77)	2.78	
	<u>7,178.17</u>		<u>6,801.31</u>
Operating Profit before Working Capital changes	2,460.54		8,124.82
Adjustments for :			
Trade Receivables	279.43	(118.66)	
Other Receivables	(1,479.70)	(1,196.87)	
Inventories	8,906.41	(3,786.38)	
Trade Payables	(1,047.06)	1,031.49	
	<u>6,659.08</u>		<u>(4,070.42)</u>
Cash generated from Operations	9,119.62		4,054.40
Direct Taxes paid	(43.82)		(565.20)
Net Cash Flow from Operating Activities	9,075.80		3,489.20
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets(Including WIP)	(1,243.94)	(4,193.44)	
Sale of Fixed Assets	401.18	2,071.76	
(Purchase)/ Sale of Investments	1,110.53	-	
Proceeds from Capital Investment subsidy	700.00	-	
Interest Received	127.17	149.73	
Dividend Received	12.00	45.38	
Net Cash flow from Investing Activities	1,006.94		(1,926.57)
C. Cash Flow from Financing Activities			
Dividends Paid (Including Dividend Tax)	(280.59)	(98.28)	
Interests Paid	(3,582.65)	(3,286.47)	
Interest Received (Swap)	-	224.53	
Proceeds from Long Term Borrowings	(1,317.43)	(2,482.57)	
Proceeds from Unsecured Loan	(2,527.43)	3,411.97	
Proceeds from working capital borrowings	(2,648.05)	4.88	
Net Cash Flow from Financing Activities	(10,356.15)		(2,225.98)
Net Increase/Decrease in Cash and Cash Equivalents	(173.41)		(663.31)
Cash and Cash Equivalents as at 1.4.2014 and 1.4.2013 (opening balance)	482.97		1,146.32
Less: Bank balances not considered as cash and cash equivalents as per Accounting Standard 3	25.14		24.94
Cash and Cash Equivalents as at 31.3.2015 and 31.3.2014 (closing balance)	284.42		458.03

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No.: 103523W

C S Sathyanarayanan

Partner

M.No. : 028328

Place : Coimbatore

Date : 15th May 2015

D Sarath Chandran

Chairman

M R Siva Shankar

Chief Financial Officer

Ashwin Chandran

Vice Chairman and Managing Director

R Nithya Prabhu

Company Secretary

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with
rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries
/ associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

S. No.	Particulars			
1.	Name of the subsidiary	Suprem Textiles Processing Limited	Precot Meridian Energy Limited	Multiflora Processing (Coimbatore) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st April , 2014 to 31 st March, 2015	1 st April , 2014 to 31 st March, 2015	1 st April , 2014 to 31 st March, 2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
4.	Share capital	100.00	5.00	25.00
5.	Reserves & surplus	(67.57)	(26.59)	3.67
6.	Total assets	33.15	0.05	29.39
7.	Total Liabilities	33.15	0.05	29.39
8.	Investments	1.98	-	-
9.	Turnover	-	-	-
10.	Profit before taxation	0.41	(0.35)	(0.43)
11.	Provision for taxation	-	-	-
12.	Profit after taxation	0.41	(0.35)	(0.43)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100%	100%	100%

Part "B": Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related
to associate companies and joint ventures

Not Applicable

Notice is hereby given that the 53rd Annual General Meeting of the shareholders of the company will be held on, Friday, 28th August 2015 at 4.30 PM at Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018, to transact the following business.

Ordinary Business:

1. To consider and adopt the following:
 - a) The audited statement of profit & loss for the year ended 31st March, 2015
 - b) The audited balance sheet as at 31st March, 2015
 - c) The reports of the directors and the auditors
2. To appoint a director in place of Mr Prashanth Chandran (DIN: 01909559), who retires by rotation and, being eligible, offers himself for re-appointment.
3. Appointment of auditors.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

Resolved that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm registration no. 103523W), be and is hereby re-appointed as auditors of the company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 58th AGM of the company to be held in the year 2020 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket and travelling expenses, etc., as may be mutually agreed between the board of directors of the company and the auditors.

Special Business:

4. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

Resolved that pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr R Krishnan, Cost Accountant (Associate registration no. 7799) appointed as the cost auditor of the company for audit of the cost

accounting records of the company for the financial year ending March 31, 2016, be paid remuneration of ₹ 2.75 lacs plus service tax as applicable.

Resolved further that the board of directors of the company, be and are hereby authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the board of directors
Coimbatore
15th May, 2015
R Nithya Prabhu
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The register of members and share transfer books of the company will remain closed from 21st August, 2015 to 27th August, 2015 (both days inclusive).
3. The statement pursuant to section 102 of the Companies Act, 2013, with respect to the special business set out in item no. 4 above, is annexed hereto.
4. The attendance slip and proxy form along with route map to the AGM venue is being sent with this annual report.
5. Pursuant to the provisions of section 205 A (5) of the Companies Act, 1956 (the Act), dividends remaining unclaimed for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government in accordance with the provisions of section 205C of the Act. Pursuant to the provisions of Investor Education and Protection

Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the company has uploaded the details of unpaid and unclaimed amounts lying with the company as on September 05, 2014 (date of last AGM) on the website of the company www.precot.com, as also on the website of the Ministry of Corporate Affairs. Members who have not encashed their dividend pertaining to the year 2007-08 and/or any subsequent years that still remains out-standing should approach the company or Link Intime India Private Limited, the registrar and share transfer agent, for obtaining payments thereof.

In terms of section 205C of the Act, the shareholders are requested to note that no claim shall be entertained either with IEPF or against the company in respect of dividend amounts unclaimed for a period of seven years from the dates they first became due for payment and transferred to the IEPF. During the year, the company has transferred unclaimed dividend for the financial year 2006-07 to the IEPF.

6. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses, either to the company or its registrar and share transfer agent, Link Intime India Private Limited, or to their respective depository participant, in case the shares are held in dematerialized form.
7. Members who are holding shares in electronic form are requested to intimate immediately their change of address / change of bank account, if any to their respective depository participant.
8. Members who hold shares in physical form in multiple accounts in identical names or joint accounts in the same order of names are requested to send the share certificates to the company's registrar and share transfer agent, Link Intime India Private Limited for consolidation into a single account.
9. The notice of the AGM along with the annual report 2014-15 is being sent by electronic mode to those members whose e-mail addresses are registered with the company/ depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the "Green Initiative", the members who have not registered their e-mail addresses

are requested to register the same with the registrar and share transfer agent/ depositories.

11. Members may note that the notice of the AGM along with the annual report 2014-15 will be available on the website of the company i.e. www.precot.com. The physical copies of the documents will also be available at the company's registered office for inspection during normal business hours on working days.
12. In compliance with section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) amendment rules, 2015, and clause 35B of the listing agreement, the company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.

The voting rights of members shall be in proportion to the shares of the paid up equity share capital of the company as on the cut-off date of 21st August 2015. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

Any person, who acquires shares of the company and become member of the company after 17th July 2015 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 21st August 2015, may write to the company's registrar and share transfer agent, Link Intime India Pvt Ltd through E-mail coimbatore@linkintime.co.in for obtaining the credentials for remote e-voting. However, if a person is already registered with CDSL for e-voting, then existing user ID and password can be used for casting vote.

Mr G Vasudevan, Practicing Company Secretary (Membership no. FCS 6699) has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

- i) The e-voting period begins at 10.00 a.m on 25th August, 2015 and ends at 5.00 p.m on 27th August, 2015. During this period

- shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st August 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - iii) Click on "SHAREHOLDERS" tab.
 - iv) Now enter your user ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 character DP ID followed by 8 digits client ID
 - v) Next enter the image verification as displayed and click on login.
 - vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vii) If you are a first time user follow the steps given below:
 - c. Members holding shares in physical form should enter folio number registered with the company

For members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by income tax department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the company/depository participant are requested to use the sequence number which is printed on attendance slip, in the PAN field.
DOB	<p>Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the dividend bank details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ● Please enter the DOB or dividend bank details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the dividend bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- xi) Click on the EVSN for the relevant Precot Meridian Limited on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A

confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- xvii) If demat account holder has forgotten the password then enter the user ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for non - individual shareholders and custodians
 - ❖ Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia.com and register themselves as corporates.
 - ❖ A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ❖ After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ❖ A scanned copy of the board resolution and

power of attorney (POA) which they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the frequently asked questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

12. Appointment of directors:

Information as required by clause 49(VIII)(E) of the listing agreement :

The information relating to the directors proposed to be appointed is given hereunder.

Name	: Mr Prashanth Chandran
Age	: 34 years
Qualifications	: B. Engg
Expertise	: More than 10 years of experience in textile industry
Number of shares held	: 19,71,891
Director of company since	: 2010
Relationship with other directors	: Mr Prashanth Chandran is the son of Mr Sarath Chandran and brother of Mr Ashwin Chandran

Directorships

Name of company	Member of committees
Precot Meridian Limited	-

By order of the board of directors
R Nithya Prabhu
 Company Secretary

Coimbatore
 15th May, 2015

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

Item 4

The board, on the recommendation of the audit committee, has approved the appointment and remuneration of the cost auditor to conduct the audit of the cost records of the company for the financial year ending 31.03.2016.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the shareholders of the company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item no. 4 of the notice, for ratification of the remuneration payable to the cost auditor for the financial year ending 31.03.2016.

None of the directors or Key Managerial Personnel of the company or their relatives, is concerned or interested, in the resolution set out at item no. 4.

Corporate Identification Number (CIN): L17111TZ1962PLC001183

Registered Office :

SUPREM, PB 7161,
 Green Fields, Puliakulam Road, Coimbatore -641045
 Tamil Nadu, India

Phone: 0422-4321100; Fax: 0422-4321200.

Email: secretary@precot.com, Website: www.precot.com

Coimbatore
 15th May, 2015

By order of the board of directors
R Nithya Prabhu
 Company Secretary

Notes :

A series of horizontal dotted lines for writing notes, spanning the width of the page.

If undelivered please return to :



Precot Meridian Limited

(CIN: L171111TZ1962PLC001183)

SUPREM, No. 737, Green fields, Puliakulam Road, Coimbatore - 641045.

Tel: 0422-4321100 Fax: 0422-4321200

Email: secretary@precot.com, Website: www.Precot.com



Precot Meridian Limited

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Puliakulam Road, Coimbatore -641045, Tamil Nadu, India
Email: secretary@precot.com Website: www.precot.com
Ph: 0422-4321100; Fax: 0422-4321200

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]

Folio No. / Demat ID
Name of the member(s)
Registered address

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

- 1) Name :
Address.....
Email ID : Signature or failing him/her
- 2) Name :
Address :
Email ID : Signature or failing him/her
- 3) Name :
Address :
Email ID : Signature

P.T.O.

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Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

EVSN (Electronic Voting Sequence Number)	* Default PAN / Sequence No
150714007	

* Those who have not registered their PAN may use Default PAN

✂ Cut here



Precot Meridian Limited

(CIN: L17111TZ1962PLC001183)

Regd. Office: SUPREM, PB 7161, Green Fields,
Puliakulam Road, Coimbatore - 641045, Tamil Nadu, India
Email: secretary@precot.com Website: www.precot.com
Ph: 0422-4321100; Fax: 0422-4321200

Attendance Slip

Folio No. / Demat ID : No. of shares held :

Name of the shareholder :

I hereby record my presence at Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore-641018, Tamil Nadu

* Strike out whichever is not applicable

Signature of Member / Proxy*

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the company, to be held on Friday, the 28th August, 2015 at 4.30 p.m. IST, at Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore-641018, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated:

Resolution Number	Resolution
Ordinary Business	
1	Approval of financial statements for the year ended 31 st March, 2015, the report of the board of directors and the report of the auditors thereon.
2	Reappointment of Mr. Prashanth Chandran (DIN 01909559), who retires by rotation, as a director.
3	Appointment of auditors
Special Business	
4	Ratification of remuneration payable to cost auditor Mr. R. Krishnan for the financial year 2015-16.

Signed this day of 2015

Affix ₹ 1/-
Revenue
Stamp

Signature of shareholder :

Signature of proxy holder (s) :

Note :

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this attendance slip / proxy

