


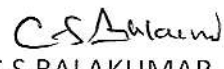

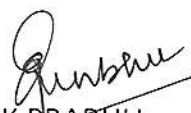


# BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043 Tamilnadu INDIA  
Telephone : 0422-2435555 Fax : 0422-4383325 E-mail : shares@bannarimills.com  
CIN:L17111TZ1989PLC002476 Website: www.bannarimills.com

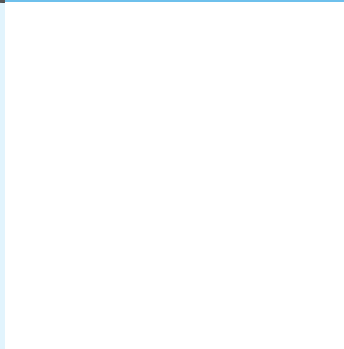
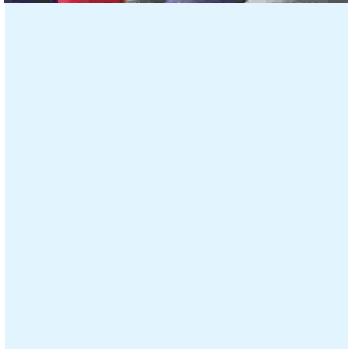
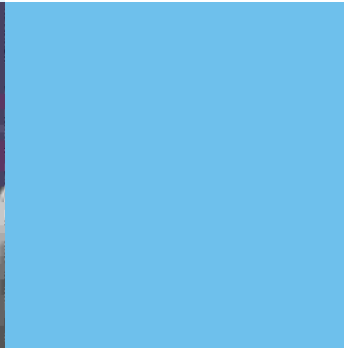
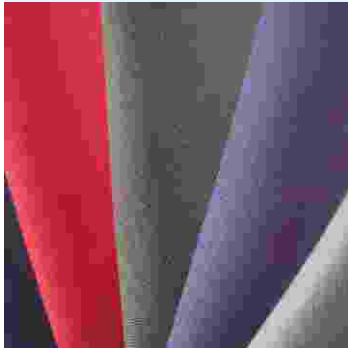
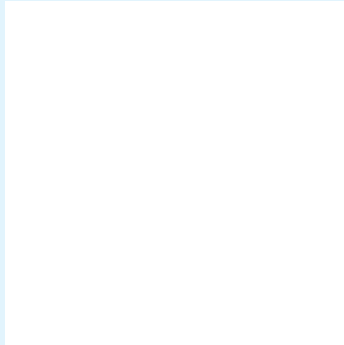
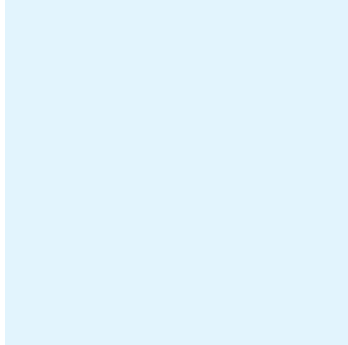
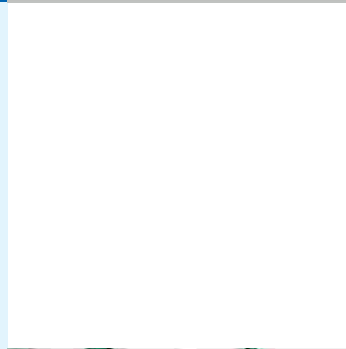
BOMBAY STOCK EXCHANGE LIMITED  
FLOOR 25,  
PHIROZE JEEJEEBHOY TOWERS,  
DALAL STREET  
MUMBAI 400 001

## FORM A

1.	Name of the Company	Bannari Amman Spinning Mills Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	• CEO/Managing Director	 S V ARUMUGAM Chairman & Managing Director
	• CFO	 C S BALAKUMAR General Manager - Accounts
	• Auditor of the company	 M/s P N Raghavendra Rao & Co, Statutory Auditors
	• Audit Committee Chairman	 C S K PRABHU Director



**24<sup>th</sup>**  
**Annual**  
**Report**  
**2014**



**BANNARI AMMAN**  
Spinning Mills Ltd.

## CONTENTS

Board of Directors .....	1
Notice to Shareholders.....	2
Directors' Report .....	16
Annexure to Directors' Report.....	21
Corporate Governance .....	26
Management Discussion and Analysis.....	34
Auditors' Certificate on Corporate Governance.....	36
Independent Auditors' Report .....	37
Balance Sheet.....	42
Statement of Profit and Loss Account.....	43
Notes to Financial Statement .....	44
Cash Flow Statement .....	71
Consolidated Balance Sheet .....	73
Consolidated Statement of Profit and Loss Account .....	74
Notes to Consolidated Financial Statement .....	75
Consolidated Cash Flow Statement.....	97
Financial Performance - Year wise .....	99

**BOARD OF DIRECTORS**

Sri S V Arumugam	-	Chairman & Managing Director
Sri K N V Ramani	-	Director
Sri C S K Prabhu	-	Director
Dr K R Thillainathan	-	Director
Sri S Palaniswami	-	Director
Sri K Sadhasivam	-	Director

**CHIEF EXECUTIVE OFFICER**

Sri A Senthil

**COMPANY SECRETARY**

Sri N Krishnaraj

**AUDITORS**

M/s P N Raghavendra Rao & Co  
Chartered Accountants  
Coimbatore - 641 009

**INTERNAL AUDITORS**

M/s Srivatsan & Gita  
Chartered Accountants  
Coimbatore - 641 018

**COST AUDITOR**

Sri M Nagarajan  
Cost Accountant  
Coimbatore - 641 018

**REGISTERED OFFICE**

252, Mettupalayam Road  
Coimbatore - 641 043 Tamilnadu  
Ph No : 0422 - 2435555  
[www.bannarimills.com](http://www.bannarimills.com)  
CIN : L17111TZ1989PLC002476

**BANKERS**

The Karur Vysya Bank Limited  
Corporation Bank  
ICICI Bank Limited  
Oriental Bank Of Commerce  
Indian Overseas Bank  
Bank Of Maharashtra  
Indian Bank  
IDBI Bank  
Allahabad Bank



## **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 24th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037 on Monday the 25<sup>th</sup> day of August, 2014 at 9.15 AM to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

### **AGENDA**

#### **ORDINARY BUSINESSES**

1. To received, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To declare dividend.
3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

**RESOLVED** that pursuant of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board, the company do hereby appoint the retiring auditor of the Company as statutory auditor for a further period as under:

- I. M/s P.N.Raghavendra Rao and Co., Coimbatore (Firm Registration No.003328S) shall hold office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of 27th Annual General Meeting.
- II. The appointment of auditor as above shall be subject to ratification by members at every Annual General Meeting in accordance with the first proviso to Section 139(1) of the Companies Act, 2013 or as may be amended or clarified by the Government from time to time.
- III. The Board of Directors be and are hereby authorised to fix their remuneration on the recommendation of Audit Committee each year.

#### **SPECIAL BUSINESSES**

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

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri K N V Ramani (holding DIN 00007931), a Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable



provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri C S K Prabhu (holding DIN 00002913), a Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Dr K R Thillainathan (holding DIN 00009400), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri S Palaniswami (holding DIN 00007901), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri K Sadhasivam (holding DIN 00610037), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.



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

**RESOLVED** that in supersession of the earlier Resolution passed in this regard pursuant to Section 293 (1) (d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 23<sup>rd</sup> September, 2009 and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members be and is hereby granted to the Board of Directors of the Company to borrow for the purposes of its business, apart from temporary loans obtained and or to be obtained from the Company's bankers in the ordinary course of business, a sum or sums of money not exceeding ₹750 Crores (Rupees Seven Hundred and Fifty Crores Only), excluding the interest accrued thereon, notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, from the Company's bankers or from any person or persons, firms, bodies corporate or Financial Institutions and by way of deposits, debentures, advances or other loans whether unsecured or secured by mortgage, charge, hypothecation or pledge of any or all of the Company's assets and properties existing and future, on such terms and conditions as the Board of Directors may from time to time, deem fit.

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

**RESOLVED** that in supersession of the Resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Extra Ordinary General Meeting of the Company held on 4.7.2005 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the members of the Company be and is hereby accorded to the Board of Directors for the creation of mortgages, charges and hypothecations, in such form and manner as the Board of Directors may deem fit on such of the Company's movable and immovable properties, both present and future and in such manner as the Board may direct the Company in certain events in favour of Lender(s)/Financial Institutions/Bank(s)/Trustees and other investing agencies to secure Rupee Loans, Securities (Comprising fully/partly Convertible Debentures with or without detachable or non-detachable warrants) or other debt instruments together with interest thereon at the respective agreed rates, compounded rates, additional interest, liquidated damages, commitment charges, remuneration of Trustee(s), premia on pre-payment or on redemption, costs, charges, expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company to the Lender(s)/Financial Institutions/Bank(s)/Trustees and other investing agencies under the arrangements entered into/to be entered by the Company in respect of the said loans, securities or other instruments.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to finalize the terms and conditions of the above mentioned loans, securities, instruments and documents for creating the aforesaid mortgages, charges and hypothecations and to do all such acts and things and execute such documents or writings as may be necessary for giving effect to the above resolution.

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting in item 4 to 10 are annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.8.2014 to 25.8.2014 (both days inclusive).
5. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 25.8.2014. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 18.8.2014.
6. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall lie against the Company or the Central Government for such unclaimed dividend.
7. Members are requested to bring their copy of the Annual Report along with them to the meeting.
8. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.
9. The voting through electronic means will be available from 20<sup>th</sup> August, 2014 10.00 A.M. to 21<sup>st</sup> August, 2014 6:00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
10. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
11. The instructions for members for voting electronically are as under:-  
In case of members receiving e-mail:
  - i. Log on to the e-voting website: [www.evotingindia.co.in](http://www.evotingindia.co.in)
  - ii. Click on "Shareholders" tab.
  - iii. Now, select the "BANNARI AMMAN SPINNING MILLS LIMITED" from the drop down menu and click on "SUBMIT"
  - 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,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.





- 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.co.in](http://www.evotingindia.co.in) 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 :

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"><li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
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"><li>● 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 <b>the number of shares held by you as on the cut off date in the Dividend Bank details field.</b></li></ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly 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 "BANNARI AMMAN SPINNING MILLS 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 changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
    - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
    - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
12. In case of members receiving the physical copy:
- a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - b) The voting will be available from 20<sup>th</sup> August, 2014 10.00 A.M. to 21<sup>st</sup> August, 2014 6:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 11<sup>th</sup> July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- c) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. In case of members desiring to exercise vote by Postal Ballot:
- a) A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.
- b) As the Company, being a Listed Company and having more than 1000 Shareholders, is compulsorily required to provide e-voting facility to its members in terms of Section 108 of the Companies Act, 2013 read with the Rules made thereunder and Clause 35 B of the Listing Agreement, voting by show of hands will not be available to the members at the 24<sup>th</sup> Annual General Meeting in view of provisions of Sec 107 read with Sec 114 of the said Act. Hence the items of Business given in this notice are proposed to be transacted through electronic voting/postal ballot system/poll. The voting rights are available to the members who are the members as on 11<sup>th</sup> July, 2014 (cut off date for the purpose of exercising voting rights).
- c) In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Postal Ballot Form is annexed. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and sent it to Mr R DHANASEKARAN, Practicing Company Secretary (CP No.7745), C/o. Link Intime India Private Limited Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028, so as to reach him on or before 22<sup>nd</sup> August, 2014. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
14. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through e-voting. If members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case of Members casting their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
15. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same.

Coimbatore  
21<sup>st</sup> May, 2014

By Order of the Board  
**S V ARUMUGAM**  
Chairman & Managing Director



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM 4**

Sri K N V Ramani is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.7.2005. Sri K N V Ramani is Chairman of the Remuneration Committee and a member of the Audit Committee, of the Board of Directors of the Company.

Sri K N V Ramani is a Corporate Lawyer has more than 55 years of specialisation in Companies Act, Taxation, Labour law etc., He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Sri K N V Ramani, who retires at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956 and in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Sri K N V Ramani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri K N V Ramani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri K N V Ramani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri K N V Ramani as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹1,00,000/- (Rupees one lakh).

Except Sri K N V Ramani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

### **ITEM 5**

Sri C S K Prabhu is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.7.2005. Sri C S K Prabhu is Chairman of the Investors' Grievance Committee and Remuneration Committee and a member of the Audit Committee, of the Board of Directors of the Company.

Sri C S K Prabhu has more than 35 years of experience in Audit Profession as Chartered Accountant. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Sri C S K Prabhu, who retires at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956 and in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.



In the opinion of the Board, Sri C S K Prabhu fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri C S K Prabhu as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri C S K Prabhu as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri C S K Prabhu as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹1,00,000/- (Rupees one lakh).

Except Sri C S K Prabhu, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

#### **ITEM 6**

Dr K R Thillainathan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 26.5.2008. He has more than 35 years of experience in Medical Profession. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Dr K R Thillainathan, in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Dr K R Thillainathan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr K R Thillainathan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Dr K R Thillainathan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr K R Thillainathan as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹1,00,000/- (Rupees one lakh).

Except Dr K R Thillainathan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

#### **ITEM 7**

Sri S Palaniswami is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 26.5.2008. Sri S Palaniswami is a member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company.



He has more than 35 years of experience in the field of vertical transportation elevators, escalators and allied products. He is holding by himself 172 shares in the Company. Sri S Palaniswami, in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Sri S Palaniswami fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri S Palaniswami as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri S Palaniswami as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri S Palaniswami as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹1,00,000/- (Rupees one lakh).

Except Sri S Palaniswami, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

#### **ITEM 8**

Sri K Sadhasivam is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 22.8.2006. He has more than 40 years of experience in the field transportation business. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Sri K Sadhasivam, in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Sri K Sadhasivam fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri K Sadhasivam as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri K Sadhasivam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri K Sadhasivam as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹1,00,000/- (Rupees one lakh).

Except Sri K Sadhasivam, being an appointee, none of the Directors and Key Managerial Personnel of



the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

**ITEM 9**

At the Annual General Meeting of the Company held on 23.9.2009, the Members had, by way of an Ordinary Resolution and in pursuance of the provisions of Section 293(1) (d) of the Companies Act, 1956, authorized the Board to borrow for the purposes of its business, apart from temporary loans obtained and or to be obtained from the Company's bankers in the ordinary course of business, a sum or sums of money not exceeding ₹ 750 Crores. Now Section 180 of the Companies Act, 2013 was notified on September 12, 2013. Under the said section, the above powers of the Board are required to be exercised only with the consent of the company by way of a Special Resolution. The Ministry of Corporate Affairs ("MCA") had vide its General Circular No 4/2014 dated March 25, 2014, clarified that the Ordinary Resolutions passed under Section 293(1) (d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification.

The approval of the Members for the said borrowings, now being sought, by way of Special Resolution, pursuant to Section 180(1)(c) of the Act.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the passing of this Resolution.

**ITEM 10**

At the Extra Ordinary General Meeting of the Company held on 4.7.2005, the Members had, by way of an Ordinary Resolution and in pursuance of the provisions of Section 293(1)(a) of the Companies Act, 1956, authorized the Board to the creation by the Board of Directors of such mortgages, charges and hypothecations, created/to be created by the Company in such form and manner as the Board of Directors may decide on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may decide, by the Company in certain events in favour of Lender(s)/Financial Institutions/ Bank(s)/Trustees and other investing agencies.

Now, Section 180 of the Act was notified on September 12, 2013. Under the said section, the above creation of charge or mortgage by the Board is required to be exercised only with the consent of the company by way of a Special Resolution. The Ministry of Corporate Affairs ("MCA") had vide its General Circular No 4/2014 dated March 25, 2014, clarified that the Ordinary Resolutions passed under Section 293(1)(a) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification.

The approval of the Members for the said creation of a mortgage or charge, now being sought, by way of Special Resolutions, pursuant to Section 180(1)(a) of the Act.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the passing of this Resolution.

Coimbatore

21<sup>st</sup> May, 2014

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**



## RE-APPOINTMENT OF DIRECTORS

A brief resume in respect of the proposed reappointment of Directors is given below in terms of Clause 49 of the Listing Agreement.

Name	: <b>Sri K N V Ramani</b>
Age	: 82 years
Qualification	: M.A., B.L.
Date of Appointment	: 25.7.2005
Experience	: A renowned Corporate Lawyer, has more than 55 years of specialization in Companies Act, Taxation, Labour law etc.,
Other Directorships	: Sri Kannapiran Mills Limited Sri Chamundeswari Sugars Limited K G Denim Limited LGB Forge Limited Shiva Taxyarn Limited K P R Mill Limited Sree Sankara College Association Srinidhi Investment Advisors Private Limited
Member of Committees	: Audit Committee - Member
Member of Committees in other Public Limited Companies	: <b>Sri Kannapiran Mills Limited:</b> Audit Committee - Chairman  <b>K G Denim Limited</b> Audit Committee - Member  <b>Shiva Taxyarn Limited</b> Audit Committee - Chairman
Number of Shares held in the Company	: Nil





Name : **Sri C S K Prabhu**  
Age : 61 Years  
Qualification : B.Com., FCA  
Date of Appointment : 25.7.2005  
Experience : He has more than 35 years of experience in Audit Profession  
Other Directorships : Shiva Texyarn Limited  
Super Spinning Mills Limited  
Kakatiya Textiles Limited  
Scientific Fertiliser Company Pvt Limited  
P N R Housing Limited  
Member of Committees : Investors' Grievance Committee - Chairman  
Member of Committees in other Public Limited Companies : **Super Spinning Mills Limited**  
Audit Committee - Chairman  
Investor's Grievance Committee - Member  
**Kakatiya Textiles Limited**  
Audit Committee - Member  
Investor's Grievance Committee - Member  
**Shiva Texyarn Limited**  
Audit Committee - Member  
**P N R Housing Limited**  
Audit Committee - Chairman  
Number of Shares held in the Company : Nil

Name : **Dr K R Thillainathan**  
Age : 60 Years  
Qualification : MBBS  
Date of Appointment : 26.5.2008  
Experience : He has more than 35 years of experience in Medical profession  
Other Directorships : Shiva Texyarn Limited  
Member of Committees : Nil  
Member of Committees in other Public Limited Companies : Nil  
Number of Shares held in the Company : Nil



Name : **Sri S Palaniswami**  
Age : 70 Years  
Qualification : B.E Electrical Engineering  
Date of Appointment : 26.5.2008  
Experience : He has more than 35 years of experience in the field of Vertical Transportation Elevators, Escalators and allied products.  
Other Directorships : Shiva Taxyarn Limited  
Member of Committees : Audit Committee - Member  
Member of Committees in other Public Limited Companies : **Shiva Taxyarn Limited**  
Investors' Grievance Committee - Chairman  
Audit Committee - Member  
Number of Shares held in the Company : 172

Name : **Sri K Sadhasivam**  
Age : 67 Years  
Qualification : B.Sc.,  
Date of Appointment : 22.8.2006  
Experience : He has more than 40 years of experience in transport business  
Other Directorships : M S S Realtors Private Limited  
Abirami Amman Mills Private Limited  
Member of Committees : Nil  
Member of Committees in other Public Limited Companies : Nil  
Number of Shares held in the Company : Nil

Coimbatore  
21<sup>st</sup> May, 2014

By Order of the Board  
**S V ARUMUGAM**  
Chairman & Managing Director

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with audited accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS :**

(₹ in Lakhs)

	2013-2014	2012-2013
Profit before Depreciation	8,105.12	7,648.07
Less: Depreciation	3,500.16	3,575.65
Less : Taxes	1,448.15	1,340.61
Less : Extra Ordinary Item (Net of Tax Expenses)	-	-
Net Profit	3,156.81	2,731.81
Surplus brought forward from last year	751.92	-611.25
Amount available for appropriation	<b>3,908.73</b>	<b>2,120.56</b>
<b>Appropriations:</b>		
Provision for Equity Dividend	315.09	315.09
Provision for Tax on Dividend	53.55	53.55
Transfer to General Reserve	2,000.00	1,000.00
Surplus carried over to Balance Sheet	1,540.09	751.92
Total	<b>3,908.73</b>	<b>2,120.56</b>

**DIVIDEND**

Your Directors are glad to recommend payment of dividend of ₹ 2/- per equity share of ₹10/- each to the equity shareholders (Last year ₹ 2/- per share of ₹ 10/- each). The dividend is free from income tax in the hands of shareholders.

**REVIEW OF OPERATIONS**

Your Company has achieved an increase of 25% in turnover as compared to the previous year with improved working results

**Spinning Division**

The Spinning Mills produced 20,700.32 tonnes (17,563.29 tonnes) and purchased 1,378.53 tonnes (226.97 tonnes) of Yarn and sold 21,050.40 tonnes (17,286.64 tonnes) of Yarn. Sales include 10,732.84 tonnes (9,337.58 tonnes) by export of yarn.



The total sales of this division amounted to ₹ 52,366.13 Lakhs (₹ 40,210.94 Lakhs) of which export sales amounted to ₹ 25,454.37 Lakhs (₹ 20,499.79 Lakhs) constituting 48.60% (50.98%) of the total revenue.

### **Weaving Division**

The Weaving Division specializes in manufacturing wider width cotton fabric. During the year under review, 76.23 Lakh Metres (61.27 Lakh Metres) of Fabric were produced and 71.59 Lakh Metres (69.58 Lakh Metres) of Fabric were sold.

### **Knitting Division**

During the year under review, 1672.42 tonnes of Knitted fabric were produced and 1529.40 tonnes were sold. The total sales of this division amounted to ₹ 3640.95 Lakhs of which export sales accounted for ₹ 806.07 Lakhs.

### **Processing Division and Technical Textiles Division**

During the year under review, 583.32 tonnes (previous year - Nil) of fabrics were processed and the total processing charges earned by this division was ₹ 464.13 lakhs, 4.82 Lakhs (8.35 Lakhs) Meters of canvas were produced and 2.54 Lakhs (6.28 Lakhs) meters of canvas were sold. It also produced 1.49 Lakhs (0.37 Lakhs) meters of breathable water proof fabric and 0.05 Lakhs (0.74 Lakhs) meters were sold.

### **Garment Division**

7.46 Lakhs (4.86 Lakhs) pieces of Garments were produced and sold 7.09 Lakhs (5.14 Lakhs) pieces. The total sales in this division amounted to ₹ 3192.49 Lakhs (₹ 1934.63 lakhs) of which export sales accounted for ₹ 3143.25 Lakhs (₹ 1894.35 Lakhs).

### **Wind Mill Division**

The Company has 4 windmills of 1250 KW each totaling 5MW in Radhapuram Taluk, Tirunelveli District, Tamilnadu, 25 Nos windmills, each of 800 KW capacity totaling 20 MW capacity in Dharapuram Taluk, Tirupur District and Palani Taluk, Dindigul District, Tamilnadu and 3 Windmills of 1650 KW each in Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamilnadu. The total installed capacity of Windmills is 29.95 MW and the whole of the power generated is captively consumed by the Spinning Units and Weaving Unit.

The windmills produced 492.39 Lakh units of wind energy as against 618.25 Lakh units produced in the last year.

The lower production/consumption of power is on account of Non- availability of grid facilities and non- evacuation.

### **Prospects for the Current Year**

The parity between the cost of inputs and realisation on finished products is expected to be favourable.



Improved margins are anticipated from value added products. The power supply position has improved. Overall performance of your company is expected to be satisfactory.

### **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposits from the Public.

### **DIRECTORS**

Sri V Venkata Reddy ceased to be a Director of the Company by resignation with effect from 30.5.2013 owing to his pre-occupations and other busy schedules. The Board of Directors wish to place on record their appreciation for the valuable services rendered by Sri V Venkata Reddy during his tenure of office as Director in the growth of the Company.

### **INDEPENDENT DIRECTORS**

In compliance of the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchanges in which the Companies shares are listed, Independent Directors are required to be appointed for a term not exceeding 5 years at a time besides the other requirements. Accordingly the Board of Directors have proposed to appoint Sri K N V Ramani and Sri C S K Prabhu, Directors, who are retiring by rotation at the ensuing Annual General Meeting, as Independent Directors for a Term of 5 consecutive years, i.e. upto 24.8.2019. Further, Dr K R Thillainathan, Sri S Palaniswami and Sri K Sadhasivam Directors are proposed for appointment as Independent Directors of the Company for a Term of five consecutive years, i.e. upto 24.8.2019. Your Directors recommend their appointment.

Details of the proposal for appointment of the above Directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to the Notice of the ensuing Annual General Meeting

### **AUDIT COMMITTEE**

The Audit Committee comprises of

1. Sri C S K Prabhu - Chairman (Non- Executive Independent Director)
2. Sri K N V Ramani - Member (Non- Executive Independent Director) and
3. Sri S Palaniswami - Member (Non- Executive Independent Director)

### **PARTICULARS OF EMPLOYEES**

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's report is furnished as Annexure I

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars required to be included in terms of Section 217(1) (e) of the Companies Act, 1956 read



with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure -II.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

- (i) Your Directors have followed the applicable Accounting Standards in the preparation of annual accounts;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2013-2014 and of the profit of the Company for that period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

### **CORPORATE GOVERNANCE**

In line with requirements of Clause 49 of the Listing Agreement our Company is committed to the principles of good Corporate Governance and continue to adhere good corporate governance practices consistently.

A separate section on Corporate Governance, Management Discussion and Analysis and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement form part of this Annual Report.

### **AUDITORS**

The present Auditors of the Company M/s P.N.Raghavendra Rao & Co, Chartered Accountants, Coimbatore, are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

### **COST AUDITOR**

Sri M Nagarajan, Cost Accountant, Coimbatore has been appointed as Cost Auditor to conduct Cost Audit of the Company for the financial year 2013 - 2014 with the approval of Central Government.



## **SUBSIDIARY**

The Financial Statements of the Company's subsidiary Viz., Abirami Amman Mills Private Limited, have been annexed to this report along with the other required disclosures.

A Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956, containing the prescribed particulars in respect of the above subsidiary is enclosed as Annexure - III to this report.

As required by listing agreement the Company has prepared the consolidated financial statements of the company and its subsidiary pursuant to Accounting Standard 21.

## **INDUSTRIAL RELATIONS**

The relationship with employees continued to remain cordial throughout the year under review.

## **CORPORATE SOCIAL RESPONSIBILITIES**

The Company envisages to improve education in rural areas in and around the factories of the Company by providing various facilities in Government schools as part of its social responsibility.

## **ACKNOWLEDGMENT**

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the excellent performance of your company.

Coimbatore

21<sup>st</sup> May, 2014

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**



## ANNEXURE I

Statement pursuant to section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of employees) Rules, 1975

Name	Designation	Remuneration Received ₹	Qualification	Age in years as on 31.03.14	Experience in years	Date of commencement of Employment	Particulars of last Employment
Sri S V Arumugam	Managing Director	1,87,95,745/-	B.Sc., ACA	64	31	27.06.2005	Managing Director Shiva Texyarn Ltd

## Note

1. The nature of employment is contractual.
2. None of the Director is related to Sri S V Arumugam, Managing Director
3. Remuneration comprises of salary, commission, allowances and monetary value of perquisites.

Coimbatore

21<sup>st</sup> May, 2014

BY ORDER OF THE BOARD

**S V ARUMUGAM****Chairman & Managing Director**





**ANNEXURE II**

**Information pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988**

**A. CONSERVATION OF ENERGY**

Various studies are being conducted for reduction of consumption of energy on a continuous basis.

**a. Energy Conservation Measures taken:**

- i. In the Spinning Ring Frames, the fan dia of motors used for suction of the waste reduced to optimum size. Due to this replacement, the energy consumption has got reduced to the extent of 20% - 25% of its earlier consumption for pneumofil waste collection process.
- ii. Further, in overhead cleaners, the span of impeller used for collection of waste has been modified to optimum size. Consequent to this, the energy consumption has got reduced by 10% of its earlier consumption.
- iii. The pressure level of compressors used for the entire spinning process is reduced from 7.1 kg/CM<sup>2</sup> to 6.7 kg/CM<sup>2</sup> resulting in saving of power consumption by 5%.
- iv. A comprehensive exercise was undertaken by which the lights (bulbs) used for the lighting in the factory premises have been replaced with energy efficient Compact Fluorescent Lamps (CFL) which give better illumination with saving of energy consumption by 50 - 80%.

**b. Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy:**

The Company has plans to install latest energy saving machineries for reduction of consumption of power in the process of production in the spinning units.

**c. Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:**

The above measures already implemented have resulted in reduction of power consumption and consequent reduction in cost of production of finished goods.

**FORM A-PARTICULARS WITH RESPECT OF ENERGY CONSERVATION**

PARTICULARS	Current Year	Previous Year
<b>I. POWER AND FUEL CONSUMPTIONS</b>		
1. Electricity		
a) Purchased (includes power availed from Wind Mills)	979.40	828.60
Amount spent (₹ in Lakhs)	6344.43	5825.30
Rate per unit (₹)	6.48	7.03



PARTICULARS	Current Year	Previous Year
b) Own Generation		
i) Through Diesel Generator		
Total Units produced (in Lakhs)	17.65	56.55
Units produced per litre of diesel (Units)	3.24	3.14
Amount spent (₹ in lakhs)	265.34	673.53
Cost per unit (₹)	15.03	11.91
ii) Through steam turbine/generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace oil	Nil	Nil
4. Others /Internal Generation	Nil	Nil
<b>II. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Product: COTTON YARN		
Production in MT	20700.32	17563.29
Electricity consumed in units (in Lakhs)	932.73	799.30
Electricity consumed per Kg of yarn (Units)	4.51	4.55
Product: GREY FABRIC		
Production in Lakh Metres	76.23	61.27
Electricity consumed in units (in Lakhs)	52.81	42.87
Electricity consumed per Metre of Fabric (Units)	0.69	0.70
Product: READYMADE GARMENTS		
Production in Lakh Pieces	7.47	4.86
Electricity consumed in units (in Lakhs)	3.79	2.07
Electricity consumed per Piece (Units)	0.51	0.43
Product: DYED FABRIC		
Production in MT	583.32	0.00
Electricity consumed in units (in Lakhs)	10.68	0.00
Electricity consumed per Kg of Fabric (Units)	1.83	0.00
Product: KNITTED FABRIC		
Production in MT	1886.94	0.00
Electricity consumed in units (in Lakhs)	5.65	0.00
Electricity consumed per Kg of Fabric (Units)	0.30	0.00



<b>PARTICULARS</b>	<b>Current Year</b>	<b>Previous Year</b>
Product: CANVASS/COATED FABRIC		
Production in Lakh Metres	4.82	16.09
Electricity consumed in units (in Lakhs)	1.27	7.26
Electricity consumed per Metre of Fabric (Units)	0.26	0.45

**B) TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R&D)**

1. Specific areas in which R&D carried out by the Company : Nil
2. Benefits derived as a result of above R&D : Nil
3. Future Plan of Action : Nil
4. Expenditure on R&D : Nil
5. Technology absorption, adaptation and innovation : Nil
  - i) Efforts in brief, made towards technology absorption : Nil  
Adaptation and innovation
  - ii) Benefits derived as a result of above effects : Nil
  - iii) Imported Technology : Nil

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

- i) Total Foreign Exchange used Remittance in Foreign Currency on account of :
 

Travelling	: ₹ 45,14,919/-
Commission	: ₹ 1,71,25,421/-
Interest	: ₹ 1,10,36,254/-
Purchase of Spares and Capital Goods	: ₹ 12,34,69,195/-
Purchase of Raw Materials	: ₹ 23,37,71,427/-
- ii) Foreign Exchange earned : ₹ 291,14,28,564/-

Coimbatore  
21<sup>st</sup> May, 2014

By Order of the Board  
**S V ARUMUGAM**  
Chairman & Managing Director

**ANNEXURE III****Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956.**

1. Name of the Subsidiary Company : Abirami Amman Mills Private Limited
2. For the Financial year ended on : 31.03.2014
3. Holding Company's Interest in the Subsidiary - Equity shares : 1,00,000 Equity shares of ₹ 10/- each (100%)
4. Net aggregate amount of the profits / (losses) of the Subsidiary not dealt with in the holding Company's accounts, as it concerns the members of the holding Company
  - a) For the Financial year of the Subsidiary : Year ended 31.03.2014 - ₹ Nil
  - b) For the Previous financial years of the Subsidiary : Year ended 31.03.2013 - ₹ Nil
5. Net aggregate amount of the profits / (losses) of the Subsidiary dealt with in the holding Company's accounts, as it concerns the members of the holding Company
  - a) For the Financial year of the Subsidiary : Year ended 31.03.2014 - ₹ Nil
  - b) For the Previous financial years of the Subsidiary : Year ended 31.03.2013 - ₹ Nil
6. Particulars of change in Company's interest in the subsidiary and other material changes : Nil

Coimbatore  
21<sup>st</sup> May, 2014

By Order of the Board  
**S V ARUMUGAM**  
Chairman & Managing Director

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of procedures and reporting systems.

Bannari Amman Spinning Mills Limited has adopted a Code of Conduct which lays down standards of values, ethics and business principles of management.

**BOARD OF DIRECTORS**

The Board comprises of 6 Directors viz., 1 Executive Director and 5 Non Executive Directors. 5 Directors are Independent Directors.

NAME OF THE DIRECTOR	CATEGORY	NUMBER OF DIRECTORSHIPS HELD IN OTHER COMPANIES*	NUMBER OF BOARD COMMITTEE MEMBERSHIP HELD IN OTHER COMPANIES**	
			Chairman	Member
1. Sri S V Arumugam	Executive	7	1	2
2. Sri V Venkata Reddy <sup>#</sup>	Non-Executive Independent	-	-	-
3. Sri K N V Ramani	Non-Executive Independent	6	2	1
4. Sri C S K Prabhu	Non-Executive Independent	4	2	3
5. Dr K R Thillainathan	Non-Executive Independent	1	-	-
6. Sri S Palaniswami	Non-Executive Independent	1	1	1
7. Sri K Sadhasivam	Non-Executive Independent	-	-	-

\* Excluding private companies which are not subsidiary of public limited companies.

\*\* Only Committees formed under Clause 49 of the Listing Agreement are considered.

<sup>#</sup> Resigned w.e.f. 30.5.2013

**BOARD MEETINGS AND ANNUAL GENERAL MEETING**

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 18.5.2013, 12.8.2013, 11.11.2013 and 5.2.2014.

The Board is given all material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.



Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 23.9.2013 :

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES / NO
1. Sri S V Arumugam	4	Yes
2. Sri V Venkata Reddy*	-	No
3. Sri K N V Ramani	4	Yes
4. Sri C S K Prabhu	4	Yes
5. Dr K R Thillainathan	4	Yes
6. Sri S Palaniswami	4	No
7. Sri K Sadhasivam	4	Yes

\* Resigned w.e.f. 30.5.2013

**AUDIT COMMITTEE**

The Audit Committee consists of Directors, of which 3 are independent.

- 1. Sri C S K Prabhu - Chairman - Independent
- 2. Sri K N V Ramani - Member - Independent
- 3. Sri S Palaniswami - Member - Independent

The terms of reference of the Audit Committee are as set out in Clause 49 of the Listing Agreement, which inter-alia includes the following :

- a) Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and sufficient.
- b) Quarterly and Annual financial statements before submission to the Board for approval.
- c) Review with management, external and internal auditors the adequacy of internal control system, significant findings and follow-up thereon.
- d) Company’s financial and risk management policies.
- e) Management discussion and analysis of financial condition and result of operations.

During the financial year, the Audit Committee met 4 times and the attendance of each member is furnished below:

Name of the Member	No of Meetings Attended
1. Sri C S K Prabhu	4
2. Sri K N V Ramani	4
3. Sri S Palaniswami	3

**REMUNERATION COMMITTEE**

The Remuneration Committee consists of 3 Directors, all of whom are independent.

1. Sri K N V Ramani - Chairman
2. Sri C S K Prabhu - Member
3. Sri S Palaniswami - Member

The terms of reference specified by Board of Directors to the Remuneration Committee are as under:

- (a) Recommending remuneration payable to Managing Director and other Directors as and when necessity arises.
- (b) Reviewing sitting fees payable to Directors for attending Board Meetings, Committee Meetings etc.

Remuneration paid to Managing Director as follows :

Name	Designation	Remuneration Received ₹
Sri S V Arumugam	Managing Director	1,87,95,745/-

All the non-executive Directors are paid a sitting fee of ₹ 5000/- for each Board Meeting attended by them. The Members of Audit Committee are paid a sitting fee of ₹ 5000/- for each Committee Meeting attended by them.

**SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2014**

Name of the Director	No. of sharesheld
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	Nil
Sri S Palaniswami	172
Sri K Sadhasivam	Nil



## INVESTOR'S GRIEVANCE COMMITTEE

The Investor's Grievance Committee was formed to specifically look into shareholders/investors complaints, if any, on transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters.

The Investor's Grievance Committee consists of :

1. Sri C S K Prabhu - Chairman
2. Sri S V Arumugam - Member

Sri N Krishnaraj, Company Secretary is the Compliance Officer.

The company has not received any complaints from the Investors for redressal during the year and there was no complaint pending at the beginning of the year for redressal.

In terms of the Clause 5A of Listing Agreement entered into with Stock Exchange, the Company has opened Demat Suspense Account in the name "**Bannari Amman Spinning Mills Limited Unclaimed Shares Demat Suspense Account**" and transferred the shares which remains unclaimed and are lying in the escrow account out of the Initial Public Offer made by the Company.

Unclaimed Shares	No. of share holders	No. of shares
Outstanding at the beginning of the year	24	1266
Approached for transfer during the year	Nil	Nil
Transferred to the shareholder during the year	Nil	Nil
Balance at the end of the year	24	1266

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## CEO & CFO CERTIFICATION

The Managing Director and General Manager - Accounts (Head of finance function) have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Clause 49 of the listing agreement and Board took the same on record.

## INSIDER TRADING

In compliance with SEBI Regulations in prevention of insider trading the Company has framed a comprehensive Code of Conduct for its management staff. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the Company.



**GENERAL BODY MEETING**

Location and time where last three Annual General Meetings were held:

AGM	Date	Venue	Time
21 <sup>st</sup>	29.9.2011	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641 037	10.00 AM
22 <sup>nd</sup>	24.9.2012	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641 037	9.15 AM
23 <sup>rd</sup>	23.9.2013	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037	9.15 AM

**DISCLOSURES**

- i) None of the transactions with related parties during the year 2013-2014 were in conflict with the interest of the company.
- ii) There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.

**MEANS OF COMMUNICATION**

- i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in English and Tamil newspapers.
- ii) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the company.

**SHAREHOLDERS' INFORMATION****Annual General Meeting**

Day and Date : Monday and 25.8.2014  
Time : 9.15 a.m.  
Venue : Nani Kalai Arangam  
Mani Higher Secondary School  
Pappanaickenpalayam,  
Coimbatore 641 037

**Financial Calendar**

Results Announced : 21.5.2014  
Posting of Annual Report : On or before 21.7. 2014  
Last date of receipt of Proxy forms : 23.8.2014  
Dividend payment Date : on or before 2.9. 2014



Announcement of quarterly Results : During first/second week of August and November 2014. February and May 2015 or as stipulated by SEBI from time to time.

**Date of Book Closure for the purpose of Dividend**

19.8.2014 to 25.8.2014 (both days inclusive)

**Share Price Movement**

The high and low quotations of the company’s shares on the National Stock Exchange of India Limited (Designated Stock Exchange) together with Nifty from April 2013 to March 2014 were:

MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High (₹. Ps.)	Low (₹. Ps.)	High	Low
April 2013	114.90	108.00	5,962.30	5,477.20
May	119.90	108.00	6,229.45	5,910.95
June	114.00	105.00	6,011.00	5,566.25
July	105.10	101.00	6,093.35	5,675.75
August	110.25	104.95	5,808.50	5,118.85
September	110.00	103.30	6,142.50	5,318.90
October	110.00	100.05	6,309.05	5,700.95
November	110.25	102.00	6,342.95	5,972.45
December	109.70	105.00	6,415.25	6,129.95
January 2014	122.00	104.00	6,358.30	6,027.25
February	110.45	104.00	6,282.70	5,933.30
March	114.40	104.00	6,730.05	6,212.25

Based on the closing quotation of ₹ 108.95 as at 31.3.2014 at NSE Mumbai, the market capitalization of the company was ₹ 171.64 Crores.

**SHARE DETAILS**

The Company’s Equity Shares are listed on the following Stock Exchanges :

Exchange	Stock Code	Exchange	Stock Code
<b>Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	532674	<b>National Stock Exchange of India Limited</b> “Exchange Plaza” Bandra-Kurla Complex Bandra (E) Mumbai 400 051	BASML



The company has paid Annual Listing Fees for the year 2014-2015

### DEMATERIALIZATION OF SHARES

The shares of the Company are in compulsory demat segment. The company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. ISIN allotted to our company is INE186H01014.

### SHARE TRANSFER AGENT

#### Link Intime India Private Limited

Surya, 35, Mayflower Avenue, Behind Senthil Nagar  
Sowripalayam Road, Coimbatore - 641 028.

Phone : (0422) 2314792, 2315792

Fax : (0422) 2314792

E-mail : coimbatore@linkintime.co.in

Share Transfer documents, Non Receipt of share certificates sent for transfer, nomination forms and change of address may directly be sent to the above address.

### SHARE TRANSFER SYSTEM

The Share Transfers in physical form are registered and returned within 15 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee who usually meet twice in a month, if needed.

### SHAREHOLDING PATTERN AS ON 31.3.2014

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	87,51,250	55.55
Banks/FIs/Mutual Funds	2,86,214	1.82
Private Corporate Bodies	22,68,870	14.40
Indian Public	43,57,322	27.66
NRI/OCBs	90,613	0.57
<b>Total</b>	<b>1,57,54,269</b>	<b>100.00</b>

### PLANT LOCATIONS :

Spinning Division	
NaduKandanur Pirivu, Morepatty Post Vadamadurai, Dindigul 624 802. Tamilnadu	Velvarkottai, Dindigul Trichy National Highway 45 Vedasandur Taluk, Dindigul 624 803. Tamilnadu



<b>Weaving Division</b>	<b>Technical Textile Division</b>
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Kovai – Sathy Main Road, Kunnathur Village Ganesapuram Post, S S Kulam (Via) Coimbatore - 641 107

<b>Windmill Division</b>	
Irukandurai & Dhanakarkulam Villages Radhapuram Taluk Tirunelveli District, Tamilnadu	Chinnapudur Village Dharapuram Taluk Erode District, Tamilnadu
Melkaraipatti & Kottathurai Villages Palani Taluk Dindigul District Tamilnadu	Virugalpatti & Illuppanagaram Village Udumelpet Taluk Tirupur District Tamilnadu

<b>Garments Division</b>	<b>Processing Division</b>
Palladam Hitech Weaving Park Sukkampalayam Village K N Puram (Po) Palladam- 641 662	Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052

<b>Address for Correspondence</b>
All investor related queries and complaints may be sent to the following address: The Company Secretary Bannari Amman Spinning Mills Limited 252, Mettupalayam Road, Coimbatore - 641 043 E-mail: shares@bannarimills.com

Coimbatore  
21<sup>st</sup> May, 2014

BY ORDER OF THE BOARD  
**S V ARUMUGAM**  
Chairman & Managing Director



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **COMPANY'S BUSINESS**

The Company's business is manufacture of Cotton yarn, woven and coated fabrics, Garments, Processing and wind power generation. The Company has two modern spinning units near Dindigul, Tamilnadu with installed capacity of 1,44,240 spindles, Weaving unit near Palladam, Tamilnadu with installed capacity of 135 Looms, Processing & Technical Textiles near Annur, Tamilnadu with capacity to produce 24 Lakhs meters of coated fabric per annum and 32 windmills with installed capacity 29.95 MW of Power. The whole of the power produced by the wind mills is captively consumed by the spinning units.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

India is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by next 6-7 years.

The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the India's economy.

India has improved its ranking to emerge as the second largest exporter in the world from fifth position. This was possible due to reason that the textile industry is vertically integrated from raw material to finished products.

India has emerged as the most preferred destination for global brands due to its strength of vertical and horizontal integration.

Overall demand outlook for the textile industry for the financial year 2014-15 is expected to remain stable; the rebounding economic growth in key export destinations, stabilising input costs and exchange rates being key factors for the industry. The trends, if sustained in FY15 (year end March), are likely to improve the financial metrics of yarn and garment manufacturers.

Textiles exports stood at US\$ 28.53 billion during April 2013-January 2014 as compared to US\$ 24.90 billion during the corresponding period of the previous year, registering a growth of 14.58 per cent. Garment exports from India is expected to touch US\$ 60 billion over the next three years, with the help of government support

### **OPPORTUNITIES, RISKS AND CONCERNS**

The current optimism in the industry has substantially been driven by international developments. There has been an overall economic recovery in the USA and a demand recovery for textiles in the EU. Efforts of Indian exporters for market diversification have also produced some positive results. While China continues to be our largest competitor in most of the importing countries, it has also become an important export market for India not only for cotton and yarn. Compliance issues and political



turbulence in Bangladesh, the favourable exchange rates are also helping India to improve its export performance. Some of the most successful garment exporting countries like Bangladesh and Vietnam are now sourcing yarn and fabrics from India in a big way. Our garment industry has also been reporting impressive growth in current exports and order position for the coming months.

There has also been marked improvement in demand for textile products in the domestic market which is expected to continue.

The Cotton Association of India has estimated the cotton crop output at 388.25 lakh bales (of 170 kg each) for the 2013-14 season ending September. Cotton output was at 357 lakh bales last year. Total cotton supply is estimated at 447.50 lakh bales, while domestic consumption is pegged at 295 lakh bales, leaving a surplus of 152.50 lakh bales. As on May 15, arrivals were about 350 lakh bales.

Garment exporters in Tirupur knitwear cluster expect that the knitwear garment exports would double in three years if certain issues affecting the growth of the sector such as handling of Pollution of Garment Dyeing units and improvement in infrastructure are addressed by the Government without delay.

However, with the US and EU accounting for more than 70% of Indian apparel exports, the concerns over the economic health of these countries continues to put pressure on the Indian apparel exporters in the medium term. The price fluctuation of cotton and its volatility in supply due to monsoon conditions may affect the sector along with exchange rate risk.

A supportive financial package with reduced interest costs may offer more stability to the industry in the present context.

### **SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE**

The entire operations of the Company relate to only one segment viz Textiles therefore, segment/product-wise details are not applicable.

### **OUTLOOK**

With the optimum utilization of very modern machinery and the measures taken by the company overcome Power crisis, it is expected that the Company would be able to improve efficiency. The company has been taking steps to increase the export sales as well as up-country sales for improving the sales turnover and focusing on the increase on the value added products.

Coimbatore

21<sup>st</sup> May, 2014

BY ORDER OF THE BOARD

**S V ARUMUGAM**

**Chairman & Managing Director**



## **DECLARATION ON CODE OF CONDUCT**

To  
The Members  
Bannari Amman Spinning Mills Limited

In compliance with the requirements of clause 49 of the listing agreement with the stock exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2014.

Coimbatore  
21<sup>st</sup> May, 2014

**S V ARUMUGAM**  
**Chairman & Managing Director**

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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :**

To  
The Members  
Bannari Amman Spinning Mills Limited

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Spinning Mills Limited for the year ended on 31<sup>st</sup> March 2014, 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 a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. 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 further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Coimbatore  
21<sup>st</sup> May, 2014

For **P N RAGHAVENDRA RAO & Co.**  
Chartered Accountants  
**P R VITTEL**  
Partner  
M.No.200/18111  
ICAI Firm Regn. No. 003328S



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Bannari Amman Spinning Mills Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. Bannari Amman Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of the Corporate Affairs in respect of section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depending on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management as well as evaluating the overall presentation of the financial statements.

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





## **Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of the Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **P N RAGHAVENDRA RAO & Co.**  
Chartered Accountants  
**P R VITTEL**  
Partner  
M.No.200/18111  
ICAI Firm Regn. No. 003328S

Coimbatore  
21<sup>st</sup> May, 2014



## ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in our report to the members of M/s. Bannari Amman Spinning Mills Limited ("the Company") on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
b) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for 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.



5. a) In our opinion and according to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations furnished to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Therefore the provisions of clause 4(vi) of the Companies (Auditor’s Report) Order, 2003 are not applicable.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a) According to the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
- c) The disputed statutory dues aggregating to ₹ 135.11 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under :

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount (₹. In Lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Central Sales Tax Act, 1956	Sales Tax and Penalty	87.55	Assessment year 2009-10	High Court of Madras, Chennai
Central Sales Tax Act, 1956	Sales Tax	46.60	Assessment year 2008-09	High Court of Madras, Chennai
Income Tax Act, 1961	Income Tax	0.85	Assessment year 2010-11	CIT (Appeals), Coimbatore
Income Tax Act, 1961	Income Tax	0.11	Assessment year 2011-12	CIT (Appeals), Coimbatore



10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. 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.
16. In our opinion, the term loans have been applied for the purpose for which they have been raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long term investments.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Coimbatore  
21<sup>st</sup> May, 2014

For **P N RAGHAVENDRA RAO & Co.**  
Chartered Accountants  
**P R VITTEL**  
Partner  
M.No.200/18111  
ICAI Firm Regn. No. 003328S

**BALANCE SHEET AS AT 31.3.2014**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31.3.2014 ₹</b>	<b>As at 31.3.2013 ₹</b>
<b>I. EQUITY AND LIABILITIES :</b>			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	2	15,75,42,690	15,75,42,690
(b) Reserves and Surplus	3	2,27,10,63,488	1,99,22,46,217
2. NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	2,03,56,26,058	2,48,39,35,527
(b) Deferred Tax Liabilities (Net)		66,88,85,690	52,40,70,553
(c) Other Long Term Liabilities	5	1,18,56,884	1,08,87,307
(d) Long Term Provisions	6	-	-
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	7	1,78,17,70,864	66,32,09,584
(b) Trade Payables	8	38,50,01,774	32,82,04,067
(c) Other Current Liabilities	9	74,33,74,404	73,25,81,192
(d) Short Term Provisions	10	4,74,15,609	4,65,90,963
<b>TOTAL</b>		<b>8,10,25,37,461</b>	<b>6,93,92,68,100</b>
<b>II. ASSETS :</b>			
1. NON-CURRENT ASSETS			
(a) Fixed Assets	11		
(i) Tangible Assets		4,40,04,53,144	4,42,28,41,915
(ii) Capital Works in Progress		2,14,72,825	6,96,33,820
(iii) Foreign Currency Monetary Items Translation Reserve A/c		1,72,46,708	3,20,83,109
(b) Non Current Investments	12	23,91,22,336	22,66,70,336
(c) Long Term Loans and Advances	13	43,35,30,636	35,45,15,803
(d) Other Non Current Assets	14	2,34,91,545	2,64,91,545
2. CURRENT ASSETS			
(a) Inventories	15	1,83,35,19,924	90,85,00,728
(b) Trade Receivables	16	67,21,80,772	44,64,36,108
(c) Cash and Cash Equivalents	17	20,80,97,440	21,89,88,198
(d) Short Term Loans and Advances	18	18,07,49,268	18,48,71,526
(e) Other Current Assets	19	7,26,72,864	4,82,35,012
<b>TOTAL</b>		<b>8,10,25,37,461</b>	<b>6,93,92,68,100</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

21<sup>st</sup> May, 2014

**S V ARUMUGAM**

Chairman & Managing Director

**K SADHASIVAM**

Director

**N KRISHNARAJ**

Company Secretary



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2014

PARTICULARS	Note No.	Year Ended 31.3.2014 ₹		Year Ended 31.3.2013 ₹
1. Revenue from operations	20	6,99,65,07,319		5,59,71,50,492
2. Other income	21	1,05,90,481		1,09,24,085
<b>3. Total revenue</b>		<b>7,00,70,97,801</b>		<b>5,60,80,74,576</b>
4. Expenses				
(a) Cost of materials consumed	22	4,38,39,15,678		3,19,74,66,719
(b) Purchases of stock-in-trade	23	29,33,05,150		6,57,39,511
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(16,89,53,310)		10,42,71,240
(d) Employee benefits expenses	25	31,83,70,711		25,68,68,080
(e) Finance costs	26	37,86,06,681		38,04,80,996
(f) Depreciation and amortisation expenses		35,00,15,868		35,75,65,043
(g) Other expenses	27	99,13,41,195		83,84,40,487
<b>Total expenses</b>		<b>6,54,66,01,972</b>		<b>5,20,08,32,076</b>
5. Profit / (Loss) before exceptional and extraordinary items and tax		46,04,95,829		40,72,42,501
6. Profit / (Loss) before extraordinary items and tax		46,04,95,829		40,72,42,501
7. Profit / (Loss) before tax		46,04,95,829		40,72,42,501
8. Tax expense :				
(a) Current tax expense for current year	9,21,34,854		8,14,80,060	
(b) (Less): MAT credit	9,21,34,854		8,14,80,060	
(c) Current tax expense relating to prior year		-	-	-
(d) Deferred tax		14,48,15,143		13,40,61,266
<b>9. Profit / (Loss) for the year</b>		<b>31,56,80,686</b>		<b>27,31,81,235</b>
10. Earnings per share (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34
(b) Diluted (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34
(b) Diluted (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore  
21<sup>st</sup> May, 2014

**S V ARUMUGAM**

Chairman & Managing Director

**K SADHASIVAM**

Director

**N KRISHNARAJ**

Company Secretary



## 1. Notes to Financial Statements for the year ended 31<sup>st</sup> March 2014

### NOTE - 1

#### Significant accounting policies

- i. The accompanying Financial Statements have been prepared on a going concern basis under the historical cost convention on accrual basis of accounting in conformity with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of Companies Act, 1956.
- ii. Investments: Investments are carried individually at cost and are treated as long-term investments. The diminution in the market value of investment is recognized when diminution is considered permanent.
- iii. Valuation of Inventory.
  - Raw materials and stores & spares: At cost determined on First in First out basis or net realizable value, whichever is lower.
  - Finished goods and by products: At cost or net realizable value, whichever is lower. The cost has been measured on the weighted average cost basis and includes cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.
  - Stock in Process : At estimated weighted average cost basis.
- iv. Revenue is recognised only when risk and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty and sales during trail run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.  
Dividend income is recognised when the right to receive payment is established.  
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- v. The Fixed Assets are carried at historical cost less accumulated depreciation. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities. The fixed assets shown in the books are not revalued.
- vi. The Company has provided depreciation on straight-line basis in respect of fixed assets other than Windmill Units at the rates prescribed in Schedule XIV to the Companies Act, 1956. In respect of Windmill assets, the depreciation has been provided on written down value basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.  
For assets costing ₹ 5000/- or less, 100% depreciation has been charged in the year of purchase of such assets. For other assets acquired during the year pro-rata charge has been made from the date of first use. In the year of disposal of assets, depreciation is charged up to the date of disposal.
- vii. The Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the Balance Sheet date are reported at the closing rate or at the rate at which it is likely to be realized from or required to be disbursed. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.
- viii. The exchange differences on restatement / settlement of long term foreign currency loans are accumulated in a "Foreign currency translation reserve" until repayment of the loan. "Foreign Currency Monetary item Translation difference Account" has been amortized as per notification



G.S.R.225(E) of the Ministry of Corporate Affairs, Government Of India dated 31.3.2009 as amended by notification G.S.R.913(E) dated 29.12.2011.

- ix. The Company has opted for Life Insurance Corporation Employees Group Gratuity Scheme to cover its gratuity liability. Contribution paid/payable by the company to LIC of India is charged to revenue on the basis of actuarial valuation towards demand worked out by LIC.  
Provident fund/pension fund and gratuity liability are Defined Contribution Schemes and contributions are charged to Profit and Loss Account of the year in which the contribution to the respective funds are due.  
Short term employee benefits including compensated absences are provided for based on the expected obligation on an undiscounted basis as per Accounting Standard 15 (Revised).
- x. Borrowing costs attributable to the acquisition, construction and installation of qualifying capital assets are capitalized till the period before they are put into use.
- xi. The carrying value of assets at each balance sheet date is reviewed for impairment. If any indication of impairment exists the recoverable amount of such assets is estimated and appropriate provision is recognized in the accounts.
- xii. Current tax is determined at the current rates of income tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961.
- xiii. Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the rates and tax laws that prevail as at the balance sheet date. The deferred tax assets are recognized 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 asset can be realized.
- xiv. Government grants have been recognized based on the reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grants relating to borrowing cost have been reduced from the borrowing cost thereby reducing the cost of the asset. Government grants relating to periods after the acquisition, construction and installation of qualifying assets are in the nature of revenue grants and have been recognized on a systematic basis in the profit and loss account.  
Export benefits are accounted for in the year of exports based on the eligibility and there is no uncertainty in receiving the same.
- xv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.
- xvi. Provisions, Contingent liabilities and Contingent Assets: Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are shown by way of notes attached to and forming part of the Balance Sheet. Contingent Assets are neither recognized nor disclosed in the financial statements.
- xvii. Assets taken on lease by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.
- xviii. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The lease rentals paid under such agreements are accounted in the profit and loss account.





PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>2. Share Capital</b>		
<b>a. AUTHORISED</b>		
160,00,000 (PY 160,00,000) Equity Shares of ₹.10/- each	16,00,00,000	16,00,00,000
50,000 (PY 50,000) Cumulative preference Shares of ₹.100/- each	50,00,000	50,00,000
<b>Total</b>	<b>16,50,00,000</b>	<b>16,50,00,000</b>
ISSUED , SUBSCRIBED AND FULLY PAID UP		
1,57,54,269 (PY 1,57,54,269) Equity Shares of ₹.10/- each	15,75,42,690	15,75,42,690
<b>Total</b>	<b>15,75,42,690</b>	<b>15,75,42,690</b>

**b. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Name of the Share holder	As at 31.3.2014		As at 31.3.2013	
	No.of shares	Amount in ₹.	No.of shares	Amount in ₹.
<b>Equity Shares</b>				
At the beginning of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690
At the end of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690

**Terms/rights attached to the equity shares**

The company has issued only one class of equity shares having a par value of ₹ 10 per equity share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

**c. Details of shareholders holding more than 5% shares in the company.**

Name of the Share holder	As at 31.3.2014		As at 31.3.2013	
	No.of shares	% of holding	No.of shares	% of holding
<b>Equity Shares</b>				
Murugan Enterprise P Ltd	78,03,733	49.53	78,03,733	49.53
Gagandeep Credit Capital P Ltd	9,13,122	5.80	9,13,122	5.80



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>3. Reserves and Surplus</b>		
<b>a. General Reserve</b>		
Opening balance	1,12,39,78,091	1,02,39,78,091
Add: Transferred from surplus in Statement of Profit and Loss	20,00,00,000	10,00,00,000
Closing balance	1,32,39,78,091	1,12,39,78,091
<b>b. Share Premium Account</b>	79,30,76,230	79,30,76,230
<b>c. Surplus / (Deficit) in Profit and Loss Account</b>		
Opening balance	7,51,91,896	(6,11,25,915)
Add : Profit / (Loss) for the year	31,56,80,686	27,31,81,235
Less : Dividends proposed to be distributed to equity shareholders ₹ 2/-(two) per share	3,15,08,538	3,15,08,538
Tax on dividend	53,54,876	53,54,876
Transferred to :		
General Reserve	20,00,00,000	10,00,00,000
Closing balance	15,40,09,168	7,51,91,896
<b>Total</b>	<b>2,27,10,63,488</b>	<b>1,99,22,46,217</b>
<b>4. Long Term Borrowings</b>		
<b>a. Term loans from Banks - Secured</b>		
ICICI Bank	24,00,00,000	33,12,50,000
Corporation Bank	7,61,27,506	12,17,27,506
Bank of Maharashtra	17,18,75,000	23,43,75,000
Oriental Bank of Commerce	46,83,85,780	65,58,85,780
Indian Bank	47,86,41,191	33,14,92,004
Indian Overseas Bank	58,85,55,995	79,69,67,721
(b) Long-term maturities of finance lease obligations		
Secured	-	-
Unsecured	1,20,40,586	1,22,37,516
<b>Total</b>	<b>2,03,56,26,058</b>	<b>2,48,39,35,527</b>



**Name of the Bank and Details of the loan**

**ICICI Bank Limited**

"ICICI Bank Ltd - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2014 ₹ 112.50 Lakhs (31.03.2013 - ₹ 337.50 Lakhs) - Current maturity for 31.03.2014 - ₹ 112.50 Lakhs (31.03.2013 - ₹ 225.00 Lakhs)"

**ICICI Bank Limited**

"ICICI Bank Ltd - Rupee Term Loan Outstanding as at 31.03.2014 ₹ 3200.00 Lakhs (31.03.2013 - ₹ 4000 Lakhs) - Current maturity for 31.03.2014 - ₹ 800 Lakhs (31.03.2013 - ₹ 800 Lakhs)"

**Corporation Bank**

"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2014 ₹ 1161.28 Lakhs (31.03.2013 - ₹ 1561.28 Lakhs) - Current maturity for 31.03.2014 - ₹ 400 Lakhs (31.03.2013 - ₹ 400 Lakhs)"

"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2014 ₹ 56 Lakhs (31.03.2013 - ₹ 280 Lakhs) - Current maturity

**Securities and other Terms & Conditions**

Security : Hypothecation of specified movable properties including the machinery spares, tools and accessories of the spinning unit situated at Vadamadurai Village, Vendasandhur Taluk, Dindigul District.

Repayment : 32 quarterly instalments starting from December 2006. Loan has been further secured by the personal guarantee of Managing Director of the Company.

Rate of Interest : 8.55 %, 8.90% & 9.10% (Fixed)"

"Security: First charge on entire movable and immovable fixed assets of spinning unit I situated at Vadamadurai Village, Vendasandhur Taluk, Dindigul District and entire movable fixed assets of weaving division situated at Karanampettai, Paruvai Road, Coimbatore 641658. Second charge on the current assets of Spinning Unit I situated at Vadamadurai Village, Vendasandhur Taluk, Dindigul.

Repayment: 20 quarterly instalments starting from April 2013.

Rate of Interest : 13.00% (Fixed)"

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.

Repayment : 32 quarterly instalments starting from Dec 2009.

Rate of Interest : 12.75%"

"Exclusive First charge on the Windmill- Unit I and all related equipments, systems and accessories. Loan has been further secured by the personal guarantee of Managing



for 31.03.2014 - ₹ 56 Lakhs (31.03.2013 - ₹ 224 Lakhs)"

#### **Bank of Maharashtra**

"Bank of Maharashtra - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2014 ₹ 2343.75 Lakhs (31.03.2013 - ₹ 2968.75 Lakhs) - Current maturity for 31.03.2014 - ₹ 625 Lakhs (31.03.2013 - ₹ 625 Lakhs)"

#### **Oriental Bank of Commerce**

"Oriental Bank of Commerce - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2014 ₹ 6558.86 Lakhs (31.03.2013 - ₹ 8433.86 Lakhs) - Current maturity for 31.03.2014 - ₹ 1875 Lakhs (31.03.2013 - ₹ 1875 Lakhs)"

#### **Indian Bank**

"Indian Bank - Rupee Term Loan Outstanding as at 31.03.2014 Rs. 1490.00 Lakhs (31.03.2013 - ₹ 1862.50 Lakhs) - Current maturity for 31.03.2014 - ₹ 372.50 Lakhs (31.03.2013 - ₹ 372.50 Lakhs)"

"Indian Bank - Rupee Term Loan

Outstanding as at 31.03.2014 ₹ 2468.93 Lakhs (31.03.2013 - ₹ 1824.92 Lakhs) - Current maturity for 31.03.2014 - ₹ 124 Lakhs (31.03.2013 - ₹ 31.00 Lakhs)"

Director of the Company.

Repayment : 32 quarterly instalments starting from August 2006.

Rate of Interest : 9.00% (Fixed)"

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.

Repayment : 32 quarterly instalments starting from March 2010.

Rate of Interest : 12.75%"

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.

Repayment : 32 quarterly instalments starting from October 2009

Rate of Interest : 12.75%"

"Exclusive First charge by way of Mortgage and hypothecation on windmill unit III assets being financed by the Bank.

Repayment : 32 quarterly instalments starting from June 2011.

Rate of Interest : 12.70%"

"Pari-pasu First charge by way of equitable mortgage over factory land and building where construction is proposed at SIPCOT Perundurai and exclusive charge on fixed assets to be purchased out of the loan.

Repayment : 32 quarterly instalments starting from Feb' 2014.

Rate of Interest : 12.20%"



"Indian Bank - Rupee Term Loan

Outstanding as at 31.03.2014 ₹ 1323.98 Lakhs (31.03.2013 - NIL) - Current maturity for 31.03.2014 - NIL (31.03.2013 - Nil)"

**Indian Overseas Bank**

"Indian Overseas Bank - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.03.2014 ₹ 4337.20 Lakhs (31.03.2013 - ₹ 5587.20 Lakhs) - Current maturity for 31.03.2014 - ₹ 1250 Lakhs (31.03.2013 - ₹ 1250 Lakhs)"

"Indian Overseas Bank - Rupee Term Loan Outstanding as at 31.03.2014 ₹ 2531 Lakhs (31.03.2013 - ₹ 2951 Lakhs) - Current maturity for 31.03.2014 - ₹ 420 Lakhs (31.03.2014 - ₹ 420 Lakhs)"

"Indian Overseas Bank - Foreign Currency Term Loan Outstanding as at 31.03.2014 ₹ 1277.26 Lakhs (31.03.2013 - ₹ 1671.48 Lakhs) - Current maturity for 31.03.2014 - ₹ 570 Lakhs (31.03.2013 - ₹ 570 Lakhs)"

"Pari-passu First Charge by way of Equitable Mortgage over factory land and building where land and building where construction is proposed at SIPCOT, Perundurai and exclusive charge on fixed assets to be purchased out of this project (Mortgage and Hypothecation)

Repayment :32 quarterly instalments starting from April'2016.

Rate of Interest : 12.20%"

"First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets to be extended to the bankers who are extending working capital facilities to the company.

Repayment :32 quarterly instalments starting from October 2009.

Rate of Interest : 13.00%"

"Exclusive First charge on windmil unit IV & V assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur district, Tamilnadu.

Repayment :32 quarterly instalments starting from June 2012.

Rate of Interest : 13.00%"

"Exclusive First charge on windmil unit II assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu

Repayment :14 Half-yearly instalments starting from June 2009.

Rate of Interest : 6.3452%".



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>5. Other Long Term Liabilities</b>		
(a) Others :		
(i) Trade / security deposits received	24,26,884	14,57,307
(ii) Others (Advance received for sale of land)	94,30,000	94,30,000
<b>Total</b>	<b>1,18,56,884</b>	<b>1,08,87,307</b>
<b>6. Long Term Provisions</b>		
(a) Provision for employee benefits :		
(i) Provision for post-compensated absences	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>7. Short Term Borrowings</b>		
(a) Loans repayable on demand From banks		
(i) Secured	178,17,70,864	66,32,09,584
<b>Total</b>	<b>178,17,70,864</b>	<b>66,32,09,584</b>

**Name of the Bank and Details of the loan**

**The Karur Vysya Bank Limited**

"Karur Vysya Bank Ltd - Working Capital Limit  
Rs.950 Lakhs Outstanding as at 31.03.2014  
₹ 1034.58 Lakhs (31.03.2013 - ₹ 131.66 Lakhs)"

**Securities and other Terms & Conditions :**

"Security : First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I. Second charge on the Fixed Assets of the Spinning Unit - I.

Rate of Interest : 12.50%"

**Corporation Bank**

"Corporation Bank - Working Capital Limit  
₹ 5250 Lakhs Outstanding as at 31.03.2014  
₹ 2423.11 Lakhs (31.03.2013 - ₹ 1389.44 Lakhs)"

"Security : First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I and II. Second charge on the Fixed Assets of the Spinning Unit - I and II.

Rate of Interest : 13.85% Short Term Loan : 11.25% (Fixed)"

**ICICI Bank Limited**

"ICICI Bank Limited - Foreign Currency - Working Capital Limit ₹ 1500 Lakhs Outstanding as at 31.03.2014 ₹ 821.38 Lakhs (31.03.2013 - ₹ 851.41 Lakhs)"

"Security: First Charge by way of Hypothecation of Raw materials, Semi-finished and Finished goods, Consumable stores and Spares and other movable properties both present and future for Limit upto Rs.1500 Lakhs.PCFC

Rate of Interest : 3.60%"



### **Oriental Bank of Commerce**

Oriental Bank of Commerce - Working Capital Limit ₹ 6000 Lakhs ( Interchangeable of Cash credit/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.03.2014 ₹ 3628.39 Lakhs (31.03.2013 - ₹ 1659.64 Lakhs)

“Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. First Pari-passu Charge on Current Assets of Garment and Processing Division Foreign Documentary Demand / Usance Bill having maximum usance of 180 days accompanied by Airway Bill / Bill of Lading evidencing shipment of Goods dealt in by the borrower and drawn under irrevocable letter of credit / Confirmed orders.

Rate of Interest : 12.75%PCFC A/c Rate of Interest : 3.85%”

### **Indian Overseas Bank**

Indian Overseas Bank - Working Capital Limit Rs.5000 Lakhs ( Interchangeable of Cash credit / WCFC / Rupee Packing Credit / Packing Credit in Foreign Currency Loan) Outstanding as at 31.03.2014 ₹ 5845.33 Lakhs (31.03.2013 - ₹ 1060.92 Lakhs)

“Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. CC A/c Rate of Interest : 13.00%PCFCA/c

Rate of Interest : 3.85%”

### **Bank of Maharashtra**

Bank of Maharashtra - Working Capital Limit Rs.500Lakhs Outstanding as at 31.03.2014 ₹ 145.28 Lakhs (31.03.2013 - ₹ Nil)

Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements.

Rate of Interest : 12.75%

**Allahabad Bank**

Allahabad Bank - Working Capital Limit (Interchangeable of Cash credit/Packing Credit/Packing Credit in Foreign Currency Loan) ₹ 4500 Lakhs.

Outstanding as at 31.03.2014 ₹ 3093.04 Lakhs  
(31.03.2013 - ₹ 1423.26 Lakhs)

"Security: Pari-pasu first charge on current assets of the Company's Spinning Unit- II along with other banks who have extended Working Capital Finance under multiple banking arrangements.

Exclusive first charge on the Current Assets of the Company's Garment Division Pari- Passu second charge on Fixed Assets of the Company's Spinning Unit -II along with other Working Capital lenders of Spinning Unit - II. Pari-passu second charge on Fixed Assets of the Company's Garment Division

Rate of Interest : CC A/c . 12.70%PCFC A/c

Rate of Interest : 3.86%."





<b>PARTICULARS</b>	<b>As at 31.3.2014 ₹</b>	<b>As at 31.3.2013 ₹</b>
<b>8. Trade Payables</b>		
Acceptances	38,50,01,774	32,82,04,067
<b>Total</b>	<b>38,50,01,774</b>	<b>32,82,04,067</b>
<b>9. Other Current Liabilities</b>		
(a) Current maturities of long-term debt (Refer Note (1) below)	66,05,00,000	67,61,50,000
(b) Current maturities of finance lease obligations	-	14,09,804
(c) Interest accrued but not due on borrowings	1,61,323	28,81,451
(d) Interest accrued and due on borrowings	2,06,03,922	1,86,14,401
(i) Statutory remittances (Taxes, Excise Duty, VAT, Service Tax, etc.)	93,49,269	1,24,97,058
(ii) Payables on purchase of fixed assets	1,69,12,543	93,48,015
(iii) Contractually reimbursable expenses	69,545	2,08,164
(iii) Advances from customers	3,57,77,803	1,10,72,299
(viii) Others (specify nature)	-	4,00,000
<b>Total</b>	<b>74,33,74,404</b>	<b>73,25,81,192</b>
<b>10. Short Term Provisions</b>		
(a) Provision for employee benefits :		
(i) Provision for bonus	1,05,52,195	86,18,032
(ii) Provision for post-employment medical benefits	-	7,09,517
(b) Provision - others :		
(i) Provision for proposed equity dividend	3,15,08,538	3,15,08,538
(ii) Provision for tax on proposed dividends	53,54,876	53,54,876
(iii) Provision - others (Impairment loss)	-	4,00,000
<b>Total</b>	<b>4,74,15,609</b>	<b>4,65,90,963</b>



NOTE NO. : 11. FIXED ASSETS		(In Rupees)									
		GROSS BLOCK			DEPRECIATION			NET BLOCK			
S.No.	PARTICULARS	As at 1.4.2013	Addition	Deletion	As at 31.3.2014	Upto 31.3.2013	For the year	Withdrawn	Upto 31.3.2014	As at 31.3.2014	As at 31.3.2013
1	Land & Site Development	12,61,08,231	80,03,095	-	13,41,11,326	-	2,40,138	-	2,40,138	13,38,71,188	12,61,08,231
2	Building										
	Own use	1,21,26,65,540	5,89,24,251	-	1,27,15,89,791	22,74,20,400	3,68,48,004	-	26,42,68,404	1,00,73,21,386	98,52,45,139
	Taken Under Finance Lease *	4,22,09,768	14,14,389	-	4,36,24,157	11,13,781	16,34,412	-	27,48,193	4,08,75,964	4,10,95,987
3	Plant & Machinery	5,24,05,28,356	25,98,44,419	84,67,643	5,49,19,05,131	2,00,71,34,049	30,45,16,056	17,55,291	2,30,98,94,814	3,18,20,10,317	3,23,33,94,307
4	Office Equipment	2,74,54,790	34,78,883	1,15,400	3,08,18,273	1,19,68,103	38,82,101	67,795	1,57,82,409	1,50,35,864	1,54,86,688
5	Furniture & fitting	91,54,678	8,39,546	-	99,94,224	33,84,022	6,05,293	-	39,89,315	60,04,909	57,70,656
6	Vehicle	2,23,13,110	18,82,472	-	2,41,95,582	68,25,776	22,78,412	-	91,04,187	1,50,91,395	1,54,87,334
7	Tools & Implements	3,75,286	-	-	3,75,286	1,21,714	11,452	-	1,33,165	2,42,121	2,53,572
	(A)	6,68,08,09,759	33,43,87,055	85,83,043	7,00,66,13,770	2,25,79,67,844	35,00,15,868	18,23,086	2,60,61,60,626	4,40,04,53,145	4,42,28,41,915
	Capital Work In progress										
1	Buildings	14,52,904	75,74,421	1,86,14,978	33,12,347	-	-	-	-	33,12,347	1,43,52,904
2	Plant & Machinery	5,52,80,916	18,16,0478	5,52,80,916	1,81,60,478	-	-	-	-	1,81,60,478	5,52,80,916
	(B)	6,96,33,820	2,57,34,899	7,38,95,894	2,14,72,825	-	-	-	-	2,14,72,825	6,96,33,820
	Total for the year (A+B)	6,75,04,43,579	36,01,21,953	8,24,78,937	7,02,80,86,595	2,25,79,67,844	35,00,15,868	18,23,086	2,60,61,60,626	4,42,19,25,969	4,49,24,75,735
	Previous Year	6,55,47,62,187	21,40,22,025	1,83,40,633	6,75,04,43,579	1,90,16,90,834	35,75,65,041	12,88,033	2,25,79,67,844	4,49,24,75,735	4,65,30,71,351



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>12. Non Current Investments</b>		
<b>I. NON-TRADE, QUOTED - AT COST - FULLY PAID UP</b>		
INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES :		
i) 250 Equity Shares (P.Y : 250) of Bannari Amman Sugars Ltd of ₹.10 each	31,434	31,434
ii) 17 Equity Shares (P.Y : 17) of Moil Ltd of ₹10 each	6,056	6,056
<b>Total</b>	<b>37,490</b>	<b>37,490</b>
<b>II. NON-TRADE, UN QUOTED - AT COST</b>		
A. IN GOVERNMENT SECURITIES :		
Kisan Vikas Patra	3,000	3,000
B. IN EQUITY INSTRUMENTS OF OTHER ENTITIES:		
i) 344039 (P.Y.344039) Preference Shares of ₹100/- each in Anamallais Agencies P Ltd fully paid	2,72,58,686	2,72,58,686
ii) Cauvery Power Generation Corporation Ltd ₹ 40 lacs/mw * 2.80mw	1,12,00,000	-
iii) 20000 Equity Shares of ₹ 10/- each in SIMA Textile Processing Centre Limited	2,00,000	2,00,000
iv) Suryadev Alloys & Power P Ltd ₹ 68000/mw *1.50mw	1,02,000	
v) OPG Metal Power P Ltd 15000 shares of ₹ 10/- each	1,50,000	
vi) Abirami Amman Mills P Ltd 1,00,000 shares of ₹ 10/- each	10,00,000	
C. IN EQUITY INSTRUMENTS OF JOINT VENTURE :		
i) 18626869 (PY 18626869) Equity Shares of ₹10/- each in Young Brand Apparel P Ltd	19,91,71,160	19,91,71,160
<b>Total</b>	<b>23,90,84,846</b>	<b>22,66,32,846</b>
<b>Total (UNQUOTED &amp; QUOTED)</b>	<b>23,91,22,336</b>	<b>22,66,70,336</b>
Aggregate cost of Quoted Investments	37,490	37,490
Aggregate market value of Quoted Investments	2,42,587	2,21,774
Aggregate cost of unquoted Investments	23,90,84,846	22,66,32,846



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>13. Long Term Loans and Advances</b> ( Unsecured - considered good)		
(a) Capital advances	1,93,69,024	1,33,79,489
(b) Security deposits	4,20,55,865	4,62,85,214
(c) Loans and advances to related parties	-	-
(d) Loans and advances to employees	-	205,000
(e) Advance income tax (net of provisions)	1,68,56,181	3,15,31,388
(f) MAT credit entitlement - Unsecured, considered good	35,52,49,566	26,31,14,712
<b>Total</b>	<b>43,35,30,636</b>	<b>35,45,15,803</b>
<b>14. Other Non Current Assets</b>		
(a) Others		
(l) Receivables on sale of fixed assets	2,34,91,545	2,64,91,545
<b>Total</b>	<b>2,34,91,545</b>	<b>2,64,91,545</b>
<b>15. Inventories</b>		
(a) Raw materials	133,53,10,601	58,93,81,224
(b) Work-in-progress	15,71,16,243	8,53,70,963
(c) Finished goods (other than those acquired for trading)	29,40,05,857	19,67,97,827
(d) Stock-in-trade (acquired for trading)	-	-
(e) Stores and spares	4,70,87,223	3,69,50,714
<b>Total</b>	<b>183,35,19,924</b>	<b>90,85,00,728</b>



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>16. Trade Receivables (Unsecured considered good)</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,27,94,963	29,95,264
b. Other Trade receivables	65,93,85,809	44,34,40,844
<b>Total</b>	<b>67,21,80,772</b>	<b>44,64,36,108</b>
Note : Trade receivables includes amount due from : Companies in which any directors is a director or member		
i. Shiva Texyarn Limited	79,12,700	3,10,46,911
<b>Total</b>	<b>79,12,700</b>	<b>3,10,46,911</b>
<b>17. Cash and Bank Balances</b>		
i) Cash and Cash Equivalentents :		
(a) Cash on hand	12,10,741	13,90,478
(b) Cheques, drafts on hand	1,10,00,000	1,03,00,000
ii) Balance with scheduled banks :		
(a) Balances with banks		
(i) In current accounts	9,60,58,068	6,93,26,601
(ii) In deposit accounts	9,09,33,000	13,32,89,119
Balances held as margin money or security against borrowings, guarantees and other commitments	88,95,631	46,82,000
(iii) Others (Stamps)	-	-
<b>Total</b>	<b>20,80,97,440</b>	<b>21,89,88,198</b>
<b>18. Short Term Loans and Advances (Unsecured, considered good)</b>		
(a) Loans and advances to related parties	-	-
(b) Secutiry deposit	1,63,044	65,727
(c) Loans and advances to employees	18,47,369	23,29,423
(d) Prepaid expenses	3,07,11,000	2,82,32,868
(e) Balances with government authorities		
(i) CENVAT credit receivable	85,70,064	66,24,426
(ii) VAT credit receivable	42,85,909	7,48,691
(iii) Excise Duty Rebate receivable	90,91,922	72,51,145
(iv) Duty Drawback receivable	6,96,60,696	4,32,01,793
(f) Others (Advance for Purchase)	5,40,63,794	9,39,75,220
(g) Advance income tax	23,55,471	24,42,233
<b>Total</b>	<b>18,07,49,268</b>	<b>18,48,71,526</b>



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>19. Other Current Assets</b>		
(a) Unbilled revenue	87,28,667	39,06,167
(b) Accruals		
(i) Interest accrued on deposits	3,600	1,84,495
(c) Others		
(i) Insurance claims	-	-
(ii) Contractually reimbursable expenses	-	8,75,208
(iii) Others:		
TUFF Subsidy Receivable	6,39,40,597	4,31,65,643
Rent Advance	-	1,03,499
<b>Total</b>	<b>7,26,72,864</b>	<b>4,82,35,012</b>
<b>20. Revenue from operations</b>		
Sale of products (Refer Note (i) below)	6,77,28,47,640	5,44,77,36,577
Sale of services (Refer Note (ii) below)	9,77,96,181	5,51,31,602
Other operating revenues (Refer Note (iii) below)	12,58,63,499	9,42,88,030
Less : Excise duty	-	(5,717)
<b>Total</b>	<b>6,99,65,07,319</b>	<b>5,59,71,50,492</b>
(i) Sale of products comprises		
Manufactured goods		
Yarn	4,34,55,06,361	3,71,91,14,498
Fabric	1,45,73,55,875	1,08,09,10,667
Power	87,28,672	39,06,160
Quick Dry	-	3,39,43,537
Foam	-	-
Flock Powder	6,46,526	27,66,773
Waste Cotton	37,45,35,293	34,38,84,410
Others	-	37,600
Garments	3,25,7,73,286	18,87,78,627
Madeups	-	83,51,243
<b>Total - Sale of manufactured goods</b>	<b>6,51,25,46,013</b>	<b>5,38,16,93,514</b>



PARTICULARS	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
<b>Traded goods</b>		
Yarn	26,03,01,627	4,54,26,284
Fabric	-	1,27,14,923
Garment	-	79,01,856
<b>Total - Sale of traded goods</b>	<b>26,03,01,627</b>	<b>6,60,43,063</b>
<b>Total - Sale of goods (Manufactured and Traded)</b>	<b>6,77,28,47,640</b>	<b>5,44,77,36,577</b>
(ii) Sale of services comprises		
Lamination Charges/Coating Charges	9,02,35,734	3,37,22,688
Rental Income from Operating lease	70,00,000	-
Others	5,60,447	2,14,08,914
<b>Total - Sale of services</b>	<b>9,77,96,181</b>	<b>5,51,31,602</b>
(iii) Other operating revenues comprise:		
Sale of scrap	75,80,807	31,08,217
Freight Charges	-	-
Discount Received	4,81,712	2,29,981
Duty drawback and other export incentives	11,72,54,065	9,09,49,832
Others - Sale of Certified Emission Reduction	5,46,914	-
<b>Total - Other operating revenues</b>	<b>12,58,63,499</b>	<b>94,288,030</b>
<b>21. Other Income</b>		
a. Interest income (Refer Note (i) below)	51,73,772	90,26,923
Associates	128	91,665
Others	-	85
b. Net gain on sale of : long-term investments	-	11,91,545
c. Net gain on foreign currency transactions and translation (other than considered as finance cost)	7,67,088	-
d. Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	46,49,494	6,13,867
<b>Total</b>	<b>1,05,90,481</b>	<b>1,09,24,085</b>
(i) Interest income comprises :		
Interest from banks on :		
deposits	19,23,505	46,94,841
other balances	-	1,04,160
Interest on trade receivables	-	41,808
Interest on EB Deposit	32,50,267	41,86,114
<b>Total - Interest income</b>	<b>51,73,772</b>	<b>90,26,923</b>



PARTICULARS	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
(ii) Other non-operating income comprises:		
Profit on sale of fixed assets [net of expenses directly attributable Nil [(Year ended 31 March, 2013 Nil)]	10,000	6,13,867
Miscellaneous income (Net of expenses directly attributable Nil (Year ended 31st March 2013 : Nil))	46,39,494	-
<b>Total - Other non-operating income</b>	<b>46,49,494</b>	<b>6,13,867</b>
<b>22. Cost of materials consumed</b>		
Opening stock		
Cotton	43,54,03,550	49,22,21,318
Chemicals	50,34,179	89,65,277
Fabric	1,92,65,956	1,85,27,366
Tow	10,04,258	90,32,416
Yarn	12,61,57,712	4,20,63,008
Trims	25,23,820	
Add: Purchases		
Cotton	443,41,80,369	258,05,59,774
Chemicals	3,43,96,016	5,46,37,124
Fabric	1,90,64,547	12,04,82,280
Tow	-	75,64,742
Yarn	60,54,86,257	44,14,01,211
Trims	3,67,09,614	1,13,93,428
Less: Closing stock		
Cotton	120,44,81,328	43,54,03,550
Chemicals	1,20,59,901	47,77,254
Fabric	2,10,78,439	1,92,65,956
Tow	-	10,04,258
Yarn	9,45,13,930	12,61,57,712
Trims	31,77,003	27,72,495
<b>Cost of material consumed</b>	<b>438,39,15,678</b>	<b>319,74,66,719</b>
Material consumed comprises:		
Raw material - Cotton	366,51,02,591	263,73,77,542
Raw material - Tow & Grey Cut	10,04,258	1,55,92,900
Raw material - Yarn	63,71,30,039	35,73,06,507
Raw material - Fabric	98,74,972	11,97,43,690
Raw material - Chemicals	3,47,47,386	5,88,25,147
Raw material - Trims	3,60,56,431	86,20,933
<b>Total</b>	<b>438,39,15,678</b>	<b>319,74,66,719</b>





<b>PARTICULARS</b>	<b>Year Ended 31.3.2014 ₹</b>	<b>Year Ended 31.3.2013 ₹</b>
<b>23. Purchase of traded goods</b>		
Fabric	-	1,27,37,931
Yarn	29,33,05,150	4,51,12,075
Garment	-	78,89,505
<b>Total</b>	<b>29,33,05,150</b>	<b>6,57,39,511</b>
<b>24. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Inventories at the end of the year :</b>		
Finished goods	29,40,05,857	19,67,97,827
Work-in-progress	15,71,16,243	8,53,70,963
<b>Total</b>	<b>45,11,22,100</b>	<b>28,21,68,790</b>
<b>Inventories at the beginning of the year :</b>		
Finished goods	19,67,97,827	28,44,07,191
Work-in-progress	8,53,70,963	10,20,32,839
<b>Total</b>	<b>28,21,68,790</b>	<b>38,64,40,030</b>
<b>Net (increase) / decrease</b>	<b>-16,89,53,310</b>	<b>10,42,71,240</b>
<b>25. Employee benefits expenses</b>		
Salaries and wages	24,91,02,208	18,77,91,125
Contributions to provident and other funds	1,70,86,423	1,10,10,640
Staff welfare expenses	5,21,82,080	5,80,66,315
<b>Total</b>	<b>31,83,70,711</b>	<b>25,68,68,080</b>
<b>26. Finance costs</b>		
(a) Interest expense on :		
(l) Borrowings	34,52,33,663	36,50,27,329
Others - Interest on Deposit from Customers	-	-
(b) Other borrowing costs	2,09,91,482	1,58,85,639
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	1,23,81,536	-4,31,973
<b>Total</b>	<b>37,86,06,681</b>	<b>38,04,80,996</b>



PARTICULARS	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
<b>27. Other expenses</b>		
Consumption of stores and spare parts	27,53,660	36,58,297
Manufacturing Expenses	80,82,903	1,10,12,022
Consumption of packing materials	7,71,66,983	6,95,92,045
Power and fuel	41,66,57,499	32,32,17,458
Water	8,68,223	2,42,920
Rent including lease rentals	71,82,132	24,80,144
Repairs and maintenance - Buildings	1,01,79,105	1,02,03,915
Repairs and maintenance - Machinery	18,62,72,752	14,66,65,281
Repairs and maintenance - Others	1,17,30,825	94,73,795
Insurance	1,87,22,053	1,57,50,953
Rates and taxes	4,29,78,391	5,27,38,755
Communication	49,39,178	43,39,881
Travelling and conveyance	1,81,37,330	2,05,70,352
Printing and stationery	37,24,039	30,23,911
Freight and forwarding	7,44,64,713	6,61,19,710
Sales commission	7,69,64,135	6,78,68,303
Sales discount	90,56,344	1,13,73,887
Hank Yarn Obligation	19,23,909	15,14,211
Business promotion	8,80,500	13,14,246
Donations and contributions	13,22,022	23,26,014
Legal and professional	80,54,119	91,75,972
Payments to auditors (Refer Note (i) below)	14,37,144	16,72,846
Bad trade and other receivables, loans and advances written off	3,69,389	7,46,233
Loss on fixed assets sold/Scrapped/Written off	42,49,867	8,56,339
Provision for impairment of fixed assets and intangibles (net)	-	4,00,000
Miscellaneous expenses	32,23,979	21,03,000
<b>Total</b>	<b>99,13,41,195</b>	<b>83,84,40,487</b>
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	6,75,000	6,75,000
For taxation matters	1,75,000	1,50,000
For company law matters	-	-
For other services - Certification	5,87,144	8,47,846
Reimbursement of expenses	-	-
<b>Total</b>	<b>14,37,144</b>	<b>16,72,846</b>



28. Contingent Liability:

- a. The amount of duty concession availed against the pending obligation (For import of capital goods under concessional customs duty linked to fulfillment of export obligations) for the year ended 31.03.2014 is ₹ 5419.05 Lakhs. (31.03.2013 - ₹ 8111.25 Lakhs).
- b. The Sales Tax Department has demanded the Central Sales Tax amounting to ₹ 132.47 Lakhs on account of exempted sales made by the Company during the financial year 2008-09 and 2009-10. The Company has preferred a writ petition before the Hon'ble High Court of Madras on the ground that the order is barred by limitation and obtained an interim stay for payment of the impugned tax.

29. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to ₹ 9375 Lakhs (31.03.2013 - ₹ 76.05 Lakhs) approximately.

30. The funds raised by way of Public Issue have been fully utilized for the purposes for which it was raised.

31. The Company has not received information from its creditors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence a disclosure relating to their outstanding amount and interest has not been given.

32. No Amount is due for credit to Investor Education and Protection Fund.



33. Details of Foreign currency Exposures

Particulars	Outstanding foreign currency exposures as at 31.3.2014	Covered by forward contracts	Exposures not covered by forward contracts
Cotton Import	\$ 27,58,555 (\$24,82,694)	\$ 23,53,994 (NIL)	\$ 4,04,561 (\$ 24,82,694)
Machinery import	€11,79,792 (€ 7,60,000 )	€ 11,79,792 (€ 7,60,000)	NIL (NIL)
Machinery Import	\$ 7,34,724 (\$ NIL )	\$ 7,34,724 ( NIL )	NIL ( NIL )
Foreign Currency Loan	\$20,50,837 (\$ 40,32,440)	\$ 20,50,837 (\$ 35,19,315)	NIL (\$ 5,13,125)
Export sales	\$31,44,496 (\$ 23,43,947 )	NIL (NIL)	\$ 31,44,496 ( \$23,43,947)
Export Sales	€6,73,042 ( € 9,39,855)	NIL (NIL)	€ 6,73,042 ( € 9,39,855)
Export sales	GBP 86,156 (GBP 38,066)	NIL (NIL)	GBP 86,156 (GBP 38,066)

(\$ - US Dollar, € - Euro, GBP- Great Britain Pounds).

All foreign exchange derivative transactions by way of forward contracts are for the purpose of hedging foreign exchange risk.

34. Value of imports calculated on CIF basis (in Rupees):

Particulars	FY 2013-14	FY 2012-13
Raw Materials	23,37,71,427	33,70,30,596
Capital Goods & Spares	12,34,69,195	11,74,87,120

35. EXPENDITURE IN FOREIGN CURRENCY (in Rupees)

Nature of Expenses	FY 2013-14	FY 2012-13
Royalty, Know how, Professional/ Consultation Fees/Commission	1,71,25,421	1,81,70,417
Interest & Others	1,10,36,254	2,39,78,449
Traveling Expenses	45,14,919	29,27,949



<b>Amount Remitted in Foreign currency (in Rupees)</b>	<b>FY 2013-14</b>	<b>FY 2012-13</b>
Amount remitted on account of Dividend	1,80,278	NIL
No. of Non-resident Shareholders	56	NIL
No. of shares held by them	90,139	NIL
Year to which the dividend related	2012-13	NIL

36. EARNINGS IN FOREIGN EXCHANGE (in Rupees)

<b>Particulars</b>	<b>FY 2013-14</b>	<b>FY 2012-13</b>
Export of goods on FOB Basis	2,91,14,28,564	2,32,30,60,012

37. VALUE OF IMPORTED/INDIGENOUS MATERIALS CONSUMED

<b>Particulars</b>	<b>FY 2013-14</b>		<b>FY 2012-13</b>	
	<b>Value (₹)</b>	<b>%</b>	<b>Value (₹)</b>	<b>%</b>
<b>Raw Material</b>				
Cotton-Imported	23,86,90,006	6.51	34,02,34,795	12.90
Cotton-Indigenous	342,64,12,586	93.49	229,71,42,747	87.10
Yarn - Imported	-	-	-	-
Yarn - Indigenous	63,71,30,039	100.00	35,73,06,507	100.00
Nylon Tow - Import	-	-	53,05,300	34.02
Nylon Tow - Indigenous	10,04,258	100.00	1,02,87,600	65.98
Fabric - Imported	-	-	-	-
Fabric - Indigenous	57,20,068	100.00	11,97,43,690	100.00
Chemical - Imported	-	-	14,80,517	2.52
Chemical - Indigenous	3,47,47,386	100.00	5,73,44,630	97.48
Trims - Imported	40,30,284	11.18	14,92,799	17.32
Trims - Indigenous	3,20,26,147	88.82	71,28,134	82.68
<b>Stores &amp; Spares</b>				
Imported	4,37,50,507	11.74	3,34,25,673	9.63
Indigenous	32,88,28,035	88.26	31,37,66,183	90.37



38. Details of Government Grants

Details	FY 2013-14	FY 2012-13
Interest subsidy under TUF Scheme (netted off with interest expenses)	8,34,72,376	11,23,29,133
Duty drawback and Other Export Incentives (recognized under Other operating revenues)	11,72,54,065	9,09,49,832

39. Defined contribution plan : Contribution made by the company to defined contribution plan which are recognized and charged to profit and loss account during the year are as under

Particulars	FY 2013-14 (₹)	FY 2012-13 (₹)
Provident Fund	59,84,871	37,49,816
Family Pension Fund	58,21,748	37,22,047
Employees State Insurance	31,57,618	25,63,819
Employees Group Gratuity	21,22,185	11,92,080

40. Details of borrowing cost capitalized during the year under fixed assets – ₹ 150.57 Lakhs (31.03.2013 - ₹ 4.69 Lakhs).

41. Related Party Transactions :

Key Management Personnel	Sri S V Arumugam, Managing Director
Relatives of Key Management Personnel	Sri A Senthil, S/o Sri S V Arumugam Chief Executive Officer
Related Party	Shiva Texyarn Limited Anamallais Automobiles (P) Ltd Annamallai Infrastructures Limited Young Brand Apparel P Limited Bannari Amman Flour Mill Limited Sakthi Murugan Transports Limited
Relationship	Enterprises in which the Key management Personnel or relatives have significant influence.



II. Related Party Transactions :

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.3.2014
Purchase of Yarn	₹ 3,84,46,698	(₹ 4 05,10,019)	₹ 79,12,700/- (₹ 2,52,60,692/-)
Sale of Yarn	₹ 11,11,545	(₹ 81,92,230)	
Sale of Fabric	₹ 10,68,25,441	(₹ 2,48,40,916)	
Conversion Charges Received	₹ 2,76,34,291	(₹ 2,12,02,491)	
Conversion Charges Paid	₹ 2,36,81,526	(₹ 3,49,27,752)	
Rent Paid	₹ 3,02,060	(₹ 3,39,748)	
Purchase of Garments	₹ NIL	(₹ 40,27,500)	
Purchase of Cotton	₹ 2,22,44,906	(₹ NIL)	
Sale of Stores	₹ 6,43,857	(₹ NIL)	
Sale of Garment	₹ 20,918	(₹ NIL)	
Lease Rent Received	₹ 70,00,000	(₹ NIL)	
Lease Rent Paid	₹ 47,00,760	(₹ NIL)	
Vehilce Maintenance Expenses	₹ NIL	(₹ 89,587)	
Purchase of Fabric	₹ 5,16,457	(₹ 2,82,43,531)	

42. Basic and Diluted Earnings per Share :

Details	FY 2013-14	FY 2012-13
Profit/(Loss) for the year attributable to Equity Share holders (₹)	31,56,80,686	27,31,81,229
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	20.04	17.34
Nominal Value of Share (₹)	10.00	10.00



Basic and Diluted Earnings per Share – Excluding Extraordinary Items:

<b>Details</b>	<b>FY 2013-14</b>	<b>FY 2012-13</b>
Profit for the year attributable to Equity Share holders (₹)	31,56,80,686	27,31,81,229
Add: Extraordinary items (net of tax)	NIL	NIL
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	31,56,80,686	27,31,81,229
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	20.04	17.34
Nominal Value of Share (₹)	10.00	10.00

43. The net deferred tax liabilities as at 31.03.2014 comprise the following as per the Accounting Standard 22.

<b>Particulars</b>	<b>As at 2013-14 (₹)</b>	<b>As at 2012-13 (₹)</b>
Deferred Tax Liability on A/c of Depreciation	77,00,29,544	76,12,71,699
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation.	10,11,43,854	23,72,01,146
Net Deferred Tax Liability	66,88,85,690	52,40,70,553

The Company has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits of the Company.

44. Disclosures regarding interest in Joint Venture - The Company has invested ₹ 1991.71 Lakhs (₹ 1991.71 Lakhs) in the equity shares of Young Brand Apparel Private Limited (A Joint venture of the Company) as on 31.03.2014. The company does not have any further capital commitment towards purchase of shares of the Joint venture entity.





## 45. Details of interest in Joint Venture Company

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% of voting power held as on 31.3.2014</b>	<b>% of voting power held as on 31.3.2013</b>
Young Brand Apparel Private Limited	India	33.33	33.33

The Proportionate interest of the Company in the Joint Venture entity as on 30.09.2012 is as under: (₹ in Lakhs)

<b>Financial Year Ended</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Contingent Liabilities</b>	<b>Income</b>	<b>Expenditure</b>
30.9.2012*	2302.19	1999.23	NIL	3562.05	4106.71
31.3.2011	2767.42	2006.12	NIL	2544.33	2615.67

\* Audited Accounts for 18 months period ended 30.9.2012.

Vide our Report Annexed

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**  
Partner  
Membership No. 200/18111  
ICAI Firm Regn. No: 003328S

Coimbatore  
21<sup>st</sup> May, 2014

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

**N KRISHNARAJ**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2014

(₹ in Lakhs)

	31.3.2014	31.3.2013
<b>I CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation & Extraordinary items	4,604.96	4,072.42
Adjustments for :		
Depreciation	3,500.16	3,575.65
Interest income	(51.74)	(90.27)
Dividend income	(0.00)	(0.92)
Finance costs	3,786.07	3,804.81
Foreign Exchange Fluctuation	148.36	183.88
(Profit) / Loss on sale of asset	42.40	(6.14)
	<b>7,425.25</b>	<b>7,467.01</b>
Operating profit before working capital changes	12,030.21	11,539.44
Debtors	(2,257.45)	(1,202.57)
Inventories	(9,250.19)	837.61
Other Current Assets	(189.58)	547.25
Current Liabilities	857.66	(759.27)
	<b>(10,839.56)</b>	<b>(576.98)</b>
Cash generation from operations	1,190.65	10,962.46
Add: income taxes (Paid)/refund	(773.73)	(628.53)
<b>Net cash from operations</b>	<b>416.92</b>	<b>10,333.94</b>
<b>II CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,862.26)	(1,988.43)
Proceeds from sale of assets	25.20	24.87
Interest income	51.74	90.27
Dividend income	-	0.92
Purchase of Investments	(124.52)	(517.44)
Proceeds from sale of investment	-	66.92
	<b>(2,909.84)</b>	<b>(2,322.89)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2014 (Contd....)****(₹ in Lakhs)**

	<b>31.3.2013</b>	<b>31.3.2012</b>
<b>III CASH FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in short term borrowing	11,185.61	(2,284.98)
Decrease in Long Term Borrowings	(4,646.90)	(978.41)
Interest paid	(3,786.07)	(3,804.81)
Dividend Paid	(368.63)	-
	<b>2,384.01</b>	<b>(7,068.20)</b>
Net (decrease)/increase in cash and cash equivalents	(108.91)	942.84
Opening cash and bank balances	2,189.88	1,247.04
Closing cash and bank balances	2,080.97	2,189.88
Net (decrease)/increase in cash and cash equivalents	(108.91)	942.84

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**  
Partner  
Membership No. 200/18111  
ICAI Firm Regn. No: 003328S

Coimbatore  
21<sup>st</sup> May, 2014

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

**N KRISHNARAJ**  
Company Secretary



CONSOLIDATED BALANCE SHEET AS AT 31.3.2014

PARTICULARS	Note No.	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>I. EQUITY AND LIABILITIES :</b>			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	2	15,75,42,690	15,75,42,690
(b) Reserves and Surplus	3	2,27,10,63,488	1,99,22,46,217
2. NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	2,03,56,26,058	2,48,39,35,527
(b) Deferred Tax Liabilities (Net)		66,88,85,690	52,40,70,553
(c) Other Long Term Liabilities	5	1,18,56,884	1,08,87,307
(d) Long Term Provisions	6	-	-
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	7	1,78,17,70,864	66,32,09,584
(b) Trade Payables	8	38,50,11,774	32,82,04,067
(c) Other Current Liabilities	9	74,33,74,404	73,25,81,192
(d) Short Term Provisions	10	4,74,15,609	4,65,90,963
<b>TOTAL</b>		<b>8,10,25,47,461</b>	<b>6,93,92,68,100</b>
<b>II. ASSETS :</b>			
1. NON-CURRENT ASSETS			
(a) Fixed Assets	11		
(i) Tangible Assets		4,40,04,53,144	4,42,28,41,915
(ii) Capital Works in Progress		2,14,72,825	6,96,33,820
(iii) Foreign Currency Monetary Items Translation Reserve A/c		1,72,46,708	3,20,83,109
(b) Non Current Investments	12	23,81,22,336	22,66,70,336
(c) Long Term Loans and Advances	13	43,35,79,910	35,45,15,803
(d) Other Non Current Assets	14	2,34,91,545	2,64,91,545
2. CURRENT ASSETS			
(a) Inventories	15	1,83,35,19,924	90,85,00,728
(b) Trade Receivables	16	67,21,80,772	44,64,36,108
(c) Cash and Cash Equivalents	17	20,90,58,166	21,89,88,198
(d) Short Term Loans and Advances	18	18,07,49,268	18,48,71,526
(e) Other Current Assets	19	7,26,72,864	4,82,35,012
<b>TOTAL</b>		<b>8,10,25,47,461</b>	<b>6,93,92,68,100</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**  
Partner  
Membership No. 200/18111  
ICAI Firm Regn. No: 003328S

Coimbatore  
21<sup>st</sup> May, 2014

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

**N KRISHNARAJ**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2014**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>Year Ended 31.3.2014 ₹</b>		<b>Year Ended 31.3.2013 ₹</b>
1. Revenue from operations	20	699,65,07,319		559,71,50,492
2. Other income	21	1,05,90,481		1,09,24,085
<b>3. Total revenue</b>		<b>700,70,97,801</b>		<b>560,80,74,576</b>
4. Expenses				
(a) Cost of materials consumed	22	438,39,15,678		3,19,74,66,719
(b) Purchases of stock-in-trade	23	29,33,05,150		6,57,39,511
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(16,89,53,310)		10,42,71,240
(d) Employee benefits expenses	25	31,83,70,711		25,68,68,080
(e) Finance costs	26	37,86,06,681		38,04,80,996
(f) Depreciation and amortisation expenses		35,00,15,868		35,75,65,043
(g) Other expenses	27	99,13,41,195		83,84,40,487
<b>Total expenses</b>		<b>654,66,01,972</b>		<b>520,08,32,076</b>
5. Profit / (Loss) before exceptional and extraordinary items and tax		46,04,95,829		40,72,42,501
6. Profit / (Loss) before extraordinary items and tax		46,04,95,829		40,72,42,501
7. Profit / (Loss) before tax		46,04,95,829		40,72,42,501
8. Tax expense :				
(a) Current tax expense for current year	9,21,34,854		8,14,80,060	
(b) (Less): MAT credit (where applicable)	9,21,34,854		8,14,80,060	
(c) Current tax expense relating to prior year		-	-	-
(d) Deferred tax		14,48,15,143		13,40,61,266
<b>9. Profit / (Loss) for the year</b>		<b>31,56,80,686</b>		<b>27,31,81,235</b>
10. Earnings per share (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34
(b) Diluted (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34
(b) Diluted (i) Continuing operations		20.04		17.34
(ii) Total operations		20.04		17.34

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore  
21<sup>st</sup> May, 2014

**S V ARUMUGAM**

Chairman & Managing Director

**K SADHASIVAM**

Director

**N KRISHNARAJ**

Company Secretary



## 1. Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2014

### NOTE - 1

#### 1. Basis of Consolidation :

The Consolidated Financial Statements consist of Bannari Amman Spinning Mills Limited (the Company") and its wholly owned subsidiary company M/s Abirami Amman Mills Private Ltd. The Consolidated Financial Statements have been prepared on the following basis :

The financial statements of the Company and its subsidiary company have been 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 profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

#### 2. Significant accounting policies

- i. The accompanying Financial Statements have been prepared on a going concern basis under the historical cost convention on accrual basis of accounting in conformity with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of Companies Act, 1956.
- ii. Investments: Investments are carried individually at cost and are treated as long-term investments. The diminution in the market value of investment is recognized when diminution is considered permanent.
- iii. Valuation of Inventory.
  - Raw materials and stores & spares: At cost determined on First in First out basis or net realizable value, whichever is lower.
  - Finished goods and by products: At cost or net realizable value, whichever is lower. The cost has been measured on the weighted average cost basis and includes cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.
  - Stock in Process : At estimated weighted average cost basis.
- iv. Revenue is recognised only when risk and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty and sales during trail run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- v. The Fixed Assets are carried at historical cost less accumulated depreciation. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities. The fixed assets shown in the books are not revalued.



- vi. The Company has provided depreciation on straight-line basis in respect of fixed assets other than Windmill Units at the rates prescribed in Schedule XIV to the Companies Act, 1956. In respect of Windmill assets, the depreciation has been provided on written down value basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

For assets costing Rs.5000/- or less, 100% depreciation has been charged in the year of purchase of such assets. For other assets acquired during the year pro-rata charge has been made from the date of first use. In the year of disposal of assets, depreciation is charged up to the date of disposal.

- vii. The Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the Balance Sheet date are reported at the closing rate or at the rate at which it is likely to be realized from or required to be disbursed. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

- viii. The exchange differences on restatement / settlement of long term foreign currency loans are accumulated in a "Foreign currency translation reserve" until repayment of the loan. "Foreign Currency Monetary item Translation difference Account" has been amortized as per notification G.S.R.225(E) of the Ministry of Corporate Affairs, Government Of India dated 31.3.2009 as amended by notification G.S.R.913(E) dated 29.12.2011.

- ix. The Company has opted for Life Insurance Corporation Employees Group Gratuity Scheme to cover its gratuity liability. Contribution paid/payable by the company to LIC of India is charged to revenue on the basis of actuarial valuation towards demand worked out by LIC.

Provident fund/pension fund and gratuity liability are Defined Contribution Schemes and contributions are charged to Profit and Loss Account of the year in which the contribution to the respective funds are due.

Short term employee benefits including compensated absences are provided for based on the expected obligation on an undiscounted basis as per Accounting Standard 15 (Revised).

- x. Borrowing costs attributable to the acquisition, construction and installation of qualifying capital assets are capitalized till the period before they are put into use.
- xi. The carrying value of assets at each balance sheet date is reviewed for impairment. If any indication of impairment exists the recoverable amount of such assets is estimated and appropriate provision is recognized in the accounts.
- xii. Current tax is determined at the current rates of income tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961.
- xiii. Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the rates and tax laws that prevail as at the balance sheet date. The deferred tax assets are recognized 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 asset can be realized.
- xiv. Government grants have been recognized based on the reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received.



Government grants relating to borrowing cost have been reduced from the borrowing cost thereby reducing the cost of the asset. Government grants relating to periods after the acquisition, construction and installation of qualifying assets are in the nature of revenue grants and have been recognized on a systematic basis in the profit and loss account.

Export benefits are accounted for in the year of exports based on the eligibility and there is no uncertainty in receiving the same.

- xv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.
- xvi. Provisions, Contingent liabilities and Contingent Assets: Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are shown by way of notes attached to and forming part of the Balance Sheet. Contingent Assets are neither recognized nor disclosed in the financial statements.
- xvii. Assets taken on lease by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.
- xviii. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The lease rentals paid under such agreements are accounted in the profit and loss account.





PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>2. Share Capital</b>		
<b>a. AUTHORISED</b>		
160,00,000 (PY 160,00,000) Equity Shares of ₹.10/- each	16,00,00,000	16,00,00,000
50,000 (PY 50,000) Cumulative preference Shares of ₹.100/- each	50,00,000	50,00,000
<b>Total</b>	<b>16,50,00,000</b>	<b>16,50,00,000</b>
ISSUED , SUBSCRIBED AND FULLY PAID UP		
1,57,54,269 (PY 1,57,54,269) Equity Shares of ₹.10/- each	15,75,42,690	15,75,42,690
<b>Total</b>	<b>15,75,42,690</b>	<b>15,75,42,690</b>

**b. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Name of the Share holder	As at 31.3.2014		As at 31.3.2013	
	No.of shares	Amount in ₹.	No.of shares	Amount in ₹.
<b>Equity Shares</b>				
At the beginning of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690
At the end of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690

**Terms/rights attached to the equity shares**

The company has issued only one class of equity shares having a par value of ₹ 10 per equity share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

**c. Details of shareholders holding more than 5% shares in the company.**

Name of the Share holder	As at 31.3.2014		As at 31.3.2013	
	No.of shares	% of holding	No.of shares	% of holding
<b>Equity Shares</b>				
Murugan Enterprise P Ltd	78,03,733	49.53	78,03,733	49.53
Gagandeep Credit Capital P Ltd	9,13,122	5.80	9,13,122	5.80



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>3. Reserves and Surplus</b>		
<b>a. General Reserve</b>		
Opening balance	1,12,39,78,091	1,02,39,78,091
Add: Transferred from surplus in Statement of Profit and Loss	20,00,00,000	10,00,00,000
Closing balance	1,32,39,78,091	1,12,39,78,091
<b>b. Share Premium Account</b>	79,30,76,230	79,30,76,230
<b>c. Surplus / (Deficit) in Profit and Loss Account</b>		
Opening balance	7,51,91,896	(6,11,25,915)
Add : Profit / (Loss) for the year	31,56,80,686	27,31,81,235
Less : Dividends proposed to be distributed to equity shareholders ₹ 2/-(two) per share (31.3.2012 Nil per share)	3,15,08,538	3,15,08,538
Tax on dividend	53,54,876	53,54,876
Transferred to :		
General Reserve	20,00,00,000	10,00,00,000
Closing balance	15,40,09,168	7,51,91,896
<b>Total</b>	<b>2,27,10,63,488</b>	<b>1,99,22,46,217</b>
<b>4. Long Term Borrowings</b>		
<b>a. Term loans from Banks - Secured</b>		
ICICI Bank	24,00,00,000	33,12,50,000
Corporation Bank	7,61,27,506	12,17,27,506
Bank of Maharashtra	17,18,75,000	23,43,75,000
Oriental Bank of Commerce	46,83,85,780	65,58,85,780
Indian Bank	47,86,41,191	33,14,92,004
Indian Overseas Bank	58,85,55,995	79,69,67,721
(b) Long-term maturities of finance lease obligations		
Unsecured	1,20,40,586	1,22,37,516
<b>Total</b>	<b>2,03,56,26,058</b>	<b>2,48,39,35,527</b>



<b>PARTICULARS</b>	<b>As at 31.3.2014 ₹</b>	<b>As at 31.3.2013 ₹</b>
<b>5. Other Long Term Liabilities</b>		
(a) Others :		
(i) Trade / security deposits received	24,26,884	14,57,307
(ii) Others (Advance received for sale of land)	94,30,000	94,30,000
<b>Total</b>	<b>1,18,56,884</b>	<b>1,08,87,307</b>
<b>6. Long Term Provisions</b>		
(a) Provision for employee benefits :		
(i) Provision for post-employment payments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>7. Short Term Borrowings</b>		
(a) Loans repayable on demand From banks		
(i) Secured	1,78,17,70,864	66,32,09,584
<b>Total</b>	<b>1,78,17,70,864</b>	<b>66,32,09,584</b>
<b>8. Trade Payables</b>		
Acceptances	38,50,11,774	32,82,04,067
<b>Total</b>	<b>38,50,11,774</b>	<b>32,82,04,067</b>



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>9. Other Current Liabilities</b>		
(a) Current maturities of long-term debt	66,05,00,000	67,61,50,000
(b) Current maturities of finance lease obligations	-	14,09,804
(c) Interest accrued but not due on borrowings	1,61,323	28,81,451
(d) Interest accrued and due on borrowings	2,06,03,922	1,86,14,401
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	93,49,269	1,24,97,058
(ii) Payables on purchase of fixed assets	1,69,12,543	93,48,015
(iii) Contractually reimbursable expenses	69,545	2,08,164
(iii) Advances from customers	3,57,77,803	1,10,72,299
(viii) Others (specify nature)	-	4,00,000
<b>Total</b>	<b>74,33,74,404</b>	<b>73,25,81,192</b>
<b>10. Short Term Provisions</b>		
(a) Provision for employee benefits :		
(i) Provision for bonus	1,05,52,195	86,18,032
(ii) Provision for post-employment medical benefits	-	7,09,517
(b) Provision - others :		
(i) Provision for proposed equity dividend	3,15,08,538	3,15,08,538
(ii) Provision for tax on proposed dividends	53,54,876	53,54,876
(iii) Provision - others (Impairment loss)	-	4,00,000
<b>Total</b>	<b>4,74,15,609</b>	<b>4,65,90,963</b>



NOTE NO. : 11. FIXED ASSETS		(In Rupees)										
		GROSS BLOCK				DEPRECIATION			NET BLOCK			
		As at 1.4.2013	Addition	Deletion	As at 31.3.2014	Upto 31.3.2013	For the year	Withdrawn	Upto 31.3.2014	As at 31.3.2014	As at 31.3.2013	
S.No.	PARTICULARS	12,61,08,231	80,03,095	-	13,41,11,326	-	2,40,138	-	2,40,138	13,38,71,188	12,61,08,231	
2	Building	121,26,65,540	5,89,24,251	-	127,15,89,791	-	3,68,48,004	-	26,42,68,404	100,73,21,386	98,52,45,139	
	Own use	4,22,09,768	14,14,389	-	4,36,24,157	-	16,34,412	-	27,48,193	4,08,75,964	4,10,95,987	
	Taken Under Finance Lease *	524,05,28,356	25,98,44,419	84,67,643	549,19,05,131	84,67,643	30,45,16,056	17,55,291	230,98,94,814	318,20,10,317	323,33,94,307	
3	Plant & Machinery	2,74,54,790	34,78,883	1,15,400	3,08,18,273	1,15,400	38,82,101	67,795	1,57,82,409	1,50,35,864	1,54,86,688	
4	Office Equipment	91,54,678	8,39,546	-	99,94,224	-	6,05,293	-	39,89,315	60,04,909	57,70,656	
5	Furniture & ffiting	2,23,13,110	18,82,472	-	2,41,95,582	-	22,78,412	-	91,04,187	1,50,91,395	1,54,87,334	
6	Vehicle	3,75,286	-	-	3,75,286	-	11,452	-	1,33,165	2,42,121	2,53,572	
7	Tools & Implements	668,08,09,759	33,43,87,055	85,83,043	700,66,13,770	85,83,043	35,00,15,868	18,23,086	260,61,60,626	440,04,53,145	442,28,41,915	
	(A)											
	Capital Work In progress	1,43,52,904	75,74,421	1,86,14,978	33,12,347	1,86,14,978	-	-	-	33,12,347	1,43,52,904	
1	Buildings	5,52,80,916	1,81,60,478	5,52,80,916	1,81,60,478	5,52,80,916	-	-	-	1,81,60,478	5,52,80,916	
2	Plant & Machinery	6,96,33,820	2,57,34,899	7,38,95,894	2,14,72,825	7,38,95,894	-	-	-	2,14,72,825	6,96,33,820	
	(B)											
	Total for the year (A+B)	675,04,43,579	36,01,21,953	8,24,78,937	702,80,86,595	8,24,78,937	35,00,15,868	18,23,086	26,06,160,626	442,19,25,969	449,24,75,735	
	Previous Year	655,47,62,187	21,40,22,025	1,83,40,633	675,04,43,579	1,83,40,633	35,75,65,041	12,88,033	22,57,967,844	449,24,75,735	465,30,71,351	



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>12. Non Current Investments</b>		
<b>I. NON-TRADE, QUOTED - AT COST - FULLY PAID UP</b>		
INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES :		
i) 250 Equity Shares (P.Y : 250) of Bannari Amman Sugars Ltd of ₹.10 each	31,434	31,434
ii) 17 Equity Shares (P.Y : 17) of Moil Ltd of ₹10 each	6,056	6,056
<b>Total</b>	<b>37,490</b>	<b>37,490</b>
<b>II. NON-TRADE, UN QUOTED - AT COST</b>		
<b>A. IN GOVERNMENT SECURITIES :</b>		
Kisan Vikas Patra	3,000	3,000
<b>B. IN EQUITY INSTRUMENTS OF OTHER ENTITIES:</b>		
i) 344039 (P.Y.344039) Preference Shares of ₹100/- each in Anamallais Agencies P Ltd fully paid	2,72,58,686	2,72,58,686
ii) Cauvery Power Generation Corporation Ltd ₹ 40 lacs/mw * 2.80mw	1,12,00,000	-
iii) 20000 Equity Shares of ₹ 10/- each in SIMA Textile Processing Centre Limited	2,00,000	2,00,000
iv) Suryadev Alloys & Power P Ltd ₹ 68000/mw * 1.50mw	1,02,000	
v) OPG Metal Power P Ltd 15000 shares of ₹ 10 each	1,50,000	
<b>C. IN EQUITY INSTRUMENTS OF JOINT VENTURE :</b>		
i) 18626869 (PY 18626869) Equity Shares of ₹10/- each in Young Brand Apparel P Ltd	19,91,71,160	19,91,71,160
<b>Total</b>	<b>23,80,84,846</b>	<b>22,66,32,846</b>
<b>Total (UNQUOTED &amp; QUOTED)</b>	<b>23,81,22,336</b>	<b>22,66,70,336</b>
Aggregate cost of Quoted Investments	37,490	37,490
Aggregate market value of Quoted Investments	2,42,587	2,21,774
Aggregate cost of unquoted Investments	23,80,84,846	22,66,32,846



<b>PARTICULARS</b>	<b>As at 31.3.2014 ₹</b>	<b>As at 31.3.2013 ₹</b>
<b>13. Long Term Loans and Advances</b>		
<b>( Unsecured - considered good)</b>		
(a) Capital advances	1,93,69,024	1,33,79,489
(b) Security deposits	4,20,55,865	4,62,85,214
(c) Loans and advances to related parties	-	-
(d) Loans and advances to employees	-	2,05,000
(e) Advance income tax (net of provisions)	1,68,56,181	3,15,31,388
(f) MAT credit entitlement	35,52,49,566	26,31,14,712
Unamortised Preliminary expenses	49,274	-
<b>Total</b>	<b>43,35,79,910</b>	<b>35,45,15,803</b>
<b>14. Other Non Current Assets</b>		
(a) Others		
(I) Receivables on sale of fixed assets	2,34,91,545	2,64,91,545
<b>Total</b>	<b>2,34,91,545</b>	<b>2,64,91,545</b>
<b>15. Inventories</b>		
(a) Raw materials	1,33,53,10,601	58,93,81,224
(b) Work-in-progress	15,71,16,243	8,53,70,963
(c) Finished goods (other than those acquired for trading)	29,40,05,857	19,67,97,827
(d) Stock-in-trade (acquired for trading)	-	-
(e) Stores and spares	4,70,87,223	3,69,50,714
<b>Total</b>	<b>1,83,35,19,924</b>	<b>90,85,00,728</b>



PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>16. Trade Receivables (Unsecured, considered good)</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,27,94,963	29,95,264
b. Other Trade receivables	65,93,85,809	44,34,40,844
<b>Total</b>	<b>67,21,80,772</b>	<b>44,64,36,108</b>
Note : Trade receivables includes amount due from : Companies in which any directors is a director or member		
i. Shiva Texyarn Limited	79,12,700	3,10,46,911
<b>Total</b>	<b>79,12,700</b>	<b>3,10,46,911</b>
<b>17. Cash and Bank Balances</b>		
i) Cash and Cash Equivalents :		
(a) Cash on hand	12,13,391	13,90,478
(b) Cheques, drafts on hand	1,10,00,000	1,03,00,000
ii) Balance with scheduled banks :		
(a) Balances with banks		
(i) In current accounts	9,70,16,144	6,93,26,601
(ii) In deposit accounts	9,09,33,000	13,32,89,119
Balances held as margin money or security against borrowings, guarantees and other commitments	88,95,631	46,82,000
(iii) Others (Stamps)	-	-
<b>Total</b>	<b>20,90,58,166</b>	<b>21,89,88,198</b>
<b>18. Short Term Loans and Advances (Unsecured, considered good)</b>		
(a) Loans and advances to related parties	-	-
(b) Security deposits	1,63,044	65,727
(c) Loans and advances to employee	18,47,369	23,29,423
(d) Prepaid expenses	3,07,11,000	2,82,32,868
(e) Balances with government authorities		
(i) CENVAT credit receivable	85,70,064	66,24,426
(ii) VAT credit receivable	42,85,909	7,48,691
(iii) Excise Duty Rebate receivable	90,91,922	72,51,145
(iv) Duty Drawback receivable	6,96,60,696	4,32,01,793
(f) Others (Advance for Purchase)	5,40,63,794	9,39,75,220
(g) Advance income tax	23,55,471	24,42,233
<b>Total</b>	<b>18,07,49,268</b>	<b>18,48,71,526</b>





PARTICULARS	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>19. Other Current Assets</b>		
(a) Unbilled revenue	87,28,667	39,06,167
(b) Accruals		
(i) Interest accrued on deposits	3,600	1,84,495
(c) Others		
(i) Insurance claims	-	-
(ii) Contractually reimbursable expenses	-	8,75,208
(iii) Others:		
TUF Subsidy Receivable	6,39,40,597	4,31,65,643
Rent Advance	-	1,03,499
<b>Total</b>	<b>7,26,72,864</b>	<b>4,82,35,012</b>
<b>20. Revenue from operations</b>		
Sale of products (Refer Note (i) below)	677,28,47,640	544,77,36,577
Sale of services (Refer Note (ii) below)	9,77,96,181	5,51,31,602
Other operating revenues (Refer Note (iii) below)	12,58,63,499	9,42,88,030
Less : Excise duty	-	(5,717)
<b>Total</b>	<b>6,99,65,07,319</b>	<b>5,59,71,50,492</b>
(i) Sale of products comprises		
Manufactured goods		
Yarn	4,34,55,06,361	3,71,91,14,498
Fabric	1,45,73,55,875	1,08,09,10,667
Power	87,28,672	39,06,160
Quick Dry	-	3,39,43,537
Foam	-	-
Flock Powder	6,46,526	27,66,773
Waste Cotton	37,45,35,293	34,38,84,410
Others	-	37,600
Garments	32,57,73,286	18,87,78,627
Madeups	-	83,51,243
<b>Total - Sale of manufactured goods</b>	<b>6,51,25,46,013</b>	<b>5,38,16,93,514</b>



PARTICULARS	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
<b>Traded goods</b>		
Yarn	26,03,01,627	4,54,26,284
Fabric	-	1,27,14,923
Garment	-	79,01,856
<b>Total - Sale of traded goods</b>	<b>26,03,01,627</b>	<b>6,60,43,063</b>
<b>Total - Sale of goods (Manufactured and Traded)</b>	<b>6,77,28,47,640</b>	<b>5,44,77,36,577</b>
(ii) Sale of services comprises		
Lamination Charges/Coating Charges	9,02,35,734	3,37,22,688
Rental income from operating lease	70,00,000	-
Others	5,60,447	2,14,08,914
<b>Total - Sale of services</b>	<b>9,77,96,181</b>	<b>5,51,31,602</b>
(iii) Other operating revenues comprise:		
Sale of scrap	75,80,807	31,08,217
Freight Charges	-	-
Discount Received	4,81,712	2,29,981
Duty drawback and other export incentives	11,72,54,065	9,09,49,832
Others - Sale of Certified Emission Reduction	5,46,914	-
<b>Total - Other operating revenues</b>	<b>12,58,63,499</b>	<b>9,42,88,030</b>
<b>21. Other Income</b>		
a. Interest income (Refer Note (i) below)	51,73,772	90,26,923
b. Dividend income :		
associates	128	91,665
others	-	85
c. Net gain on sale of:		
long-term investments	-	11,91,545
d. Net gain on foreign currency transactions and translation (other than considered as finance cost)	7,67,088	-
e. Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	46,49,494	6,13,867
<b>Total</b>	<b>1,05,90,481</b>	<b>1,09,24,085</b>
(i) Interest income comprises :		
Interest from banks on :		
deposits	19,23,505	46,94,841
other balances	-	1,04,160
Interest on loans and advances	-	-
Interest on trade receivables	-	41,808
Interest on income tax refund	-	-
Interest on EB Deposit	32,50,267	41,86,114
<b>Total - Interest income</b>	<b>51,73,772</b>	<b>90,26,923</b>



PARTICULARS	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
(ii) Other non-operating income comprises:		
Profit on sale of fixed assets [net of expenses directly attributable Nil (Year ended 31 March, 2013 Nil)]	10,000	6,13,867
Miscellaneous income (Net of expenses directly attributable Nil (Year ended 31st March 2013 : Nil))	46,39,494	-
<b>Total - Other non-operating income</b>	<b>46,49,494</b>	<b>6,13,867</b>
<b>22. Cost of materials consumed</b>		
Opening stock		
Cotton	43,54,03,550	49,22,21,318
Chemicals	50,34,179	89,65,277
Fabric	1,92,65,956	1,85,27,366
Tow	10,04,258	90,32,416
Yarn	12,61,57,712	4,20,63,008
Trims	25,23,820	
Add: Purchases		
Cotton	4,43,41,80,369	2,58,05,59,774
Chemicals	3,43,96,016	5,46,37,124
Fabric	1,90,64,547	12,04,82,280
Tow	-	75,64,742
Yarn	60,54,86,257	44,14,01,211
Trims	3,67,09,614	1,13,93,428
Less: Closing stock		
Cotton	120,44,81,328	43,54,03,550
Chemicals	1,20,59,901	47,77,254
Fabric	2,10,78,439	1,92,65,956
Tow	-	10,04,258
Yarn	9,45,13,930	12,61,57,712
Trims	31,77,003	27,72,495
<b>Cost of material consumed</b>	<b>4,38,39,15,678</b>	<b>3,19,74,66,719</b>
Material consumed comprises:		
Raw material - Cotton	3,66,51,02,591	2,63,73,77,542
Raw material - Tow & Grey Cut	10,04,258	1,55,92,900
Raw material - Yarn	63,71,30,039	35,73,06,507
Raw material - Fabric	98,74,972	11,97,43,690
Raw material - Chemicals	3,47,47,386	5,88,25,147
Raw material - Trims	3,60,56,431	86,20,933
<b>Total</b>	<b>4,38,39,15,678</b>	<b>3,19,74,66,719</b>



PARTICULARS	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
<b>23. Purchase of traded goods</b>		
Fabric	-	1,27,37,931
Yarn	29,33,05,150	4,51,12,075
Garment	-	78,89,505
<b>Total</b>	<b>29,33,05,150</b>	<b>6,57,39,511</b>
<b>24. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Inventories at the end of the year :</b>		
Finished goods	29,40,05,857	19,67,97,827
Work-in-progress	15,71,16,243	8,53,70,963
<b>Total</b>	<b>45,11,22,100</b>	<b>28,21,68,790</b>
<b>Inventories at the beginning of the year :</b>		
Finished goods	19,67,97,827	28,44,07,191
Work-in-progress	8,53,70,963	10,20,32,839
<b>Total</b>	<b>28,21,68,790</b>	<b>38,64,40,030</b>
<b>Net (increase) / decrease</b>	<b>-16,89,53,310</b>	<b>10,42,71,240</b>
<b>25. Employee benefits expenses</b>		
Salaries and wages	24,91,02,208	18,77,91,125
Contributions to provident and other funds	1,70,86,423	1,10,10,640
Staff welfare expenses	5,21,82,080	5,80,66,315
<b>Total</b>	<b>31,83,70,711</b>	<b>25,68,68,080</b>
<b>26. Finance costs</b>		
(a) Interest expense on :		
(l) Borrowings	34,52,33,663	36,50,27,329
Others - Interest on Deposit from Customers	-	-
(b) Other borrowing costs	2,09,91,482	1,58,85,639
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	1,23,81,536	-4,31,973
<b>Total</b>	<b>37,86,06,681</b>	<b>38,04,80,996</b>



PARTICULARS	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
<b>27. Other expenses</b>		
Consumption of stores and spare parts	27,53,660	36,58,297
Manufacturing Expenses	80,82,903	1,10,12,022
Consumption of packing materials	7,71,66,983	6,95,92,045
Power and fuel	41,66,57,499	32,32,17,458
Water	8,68,223	2,42,920
Rent including lease rentals	71,82,132	24,80,144
Repairs and maintenance - Buildings	1,01,79,105	1,02,03,915
Repairs and maintenance - Machinery	18,62,72,752	14,66,65,281
Repairs and maintenance - Others	1,17,30,825	94,73,795
Insurance	1,87,22,053	1,57,50,953
Rates and taxes	4,29,78,391	5,27,38,755
Communication	49,39,178	43,39,881
Travelling and conveyance	1,81,37,330	2,05,70,352
Printing and stationery	37,24,039	30,23,911
Freight and forwarding	7,44,64,713	6,61,19,710
Sales commission	7,69,64,135	6,78,68,303
Sales discount	90,56,344	1,13,73,887
Hank Yarn Obligation	19,23,909	15,14,211
Business promotion	8,80,500	13,14,246
Donations and contributions	13,22,022	23,26,014
Legal and professional	80,54,119	91,75,972
Payments to auditors (Refer Note (i) below)	14,37,144	16,72,846
Bad trade and other receivables, loans and advances written off	3,69,389	7,46,233
Loss on fixed assets sold/Scrapped/Written off	42,49,867	8,56,339
Provision for impairment of fixed assets and intangibles (net)	-	4,00,000
Miscellaneous expenses	32,23,979	21,03,000
<b>Total</b>	<b>99,13,41,195</b>	<b>83,84,40,487</b>
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	6,75,000	6,75,000
For taxation matters	1,75,000	1,50,000
For company law matters	-	-
For other services - Certification	5,87,144	8,47,846
Reimbursement of expenses	-	-
<b>Total</b>	<b>14,37,144</b>	<b>16,72,846</b>



28. As the Subsidiary Company is yet to start its commercial operations, the Statement of Profit and Loss Account for the financial year has not been prepared.
29. Contingent Liability:
- a. The amount of duty concession availed against the pending obligation (For import of capital goods under concessional customs duty linked to fulfillment of export obligations) for the year ended 31.03.2014 is ₹ 5419.05 Lakhs. (31.03.2013 - ₹ 8111.25 Lakhs).
  - b. The Sales Tax Department has demanded the Central Sales Tax amounting to ₹ 132.47 Lakhs on account of exempted sales made by the Company during the financial year 2008-09 and 2009-10. The Company has preferred a writ petition before the Hon'ble High Court of Madras on the ground that the order is barred by limitation and obtained an interim stay for payment of the impugned tax.
30. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to ₹ 9375 Lakhs (31.03.2013 - ₹ 76.05 Lakhs) approximately.
31. The Company has not received any information from its creditors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence a disclosure relating to their outstanding amount and interest has not been given.
32. No Amount is due for credit to Investor Education and Protection Fund.



33. Details of Foreign currency Exposures

<b>Particulars</b>	<b>Outstanding foreign currency exposures as at 31.3.2014</b>	<b>Covered by forward contracts</b>	<b>Exposures not covered by forward contracts</b>
Cotton Import	\$ 27,58,555 (\$ 24,82,694)	\$ 23,53,994 (NIL)	\$ 4,04,561 (\$ 24,82,694)
Machinery import	€11,79,792 (€ 7,60,000 )	€ 11,79,792 (€ 7,60,000)	NIL (NIL)
Machinery Import	\$ 7,34,724 (\$ NIL )	\$ 7,34,724 ( NIL )	NIL ( NIL )
Foreign Currency Loan	\$ 20,50,837 (\$ 40,32,440)	\$ 20,50,837 (\$ 35,19,315)	NIL (\$ 5,13,125)
Export sales	\$ 31,44,496 (\$ 23,43,947 )	NIL (NIL)	\$ 31,44,496 ( \$ 23,43,947)
Export Sales	€ 6,73,042 ( € 9,39,855)	(NIL)	€ 6,73,042 ( € 9,39,855)
Export sales	GBP 86,156 (GBP 38,066)	(NIL)	GBP 86,156 (GBP 38,066)

(\$ - US Dollar, € - Euro, GBP- Great Britain Pounds).

All foreign exchange derivative transactions by way of forward contracts are for the purpose of hedging foreign exchange risk.

34. Value of imports calculated on CIF basis (in Rupees):

<b>Particulars</b>	<b>FY 2013-14 (₹)</b>	<b>FY 2012-13 (₹)</b>
Raw Materials	23,37,71,427	33,70,30,596
Capital Goods & Spares	12,34,69,195	11,74,87,120



35. VALUE OF IMPORTED/INDIGENOUS MATERIALS CONSUMED

Particulars	FY 2013-14		FY 2012-13	
	Value (₹)	%	Value (₹)	%
<b>Raw Material</b>				
Cotton-Imported	23,86,90,006	6.51	34,02,34,795	12.90
Cotton-Indigenous	3,42,64,12,586	93.49	2,29,71,42,747	87.10
Yarn - Imported	-	-	-	-
Yarn - Indigenous	63,71,30,039	100.00	35,73,06,507	100.00
Nylon Tow - Import	-	-	53,05,300	34.02
Nylon Tow - Indigenous	10,04,258	100.00	1,02,87,600	65.98
Fabric - Imported	-	-	-	-
Fabric - Indigenous	57,20,068	100.00	11,97,43,690	100.00
Chemical - Imported	-	-	14,80,517	2.52
Chemical - Indigenous	3,47,47,386	100.00	5,73,44,630	97.48
Trims - Imported	40,30,284	11.18	14,92,799	17.32
Trims - Indigenous	3,20,26,147	88.82	71,28,134	82.68
<b>Stores &amp; Spares</b>				
Imported	4,37,50,507	11.74	3,34,25,673	9.63
Indigenous	32,88,28,035	88.26	31,37,66,183	90.37

36. Details of Government Grants

Details	FY 2013-14 (₹)	FY 2012-13 (₹)
Interest subsidy under TUF Scheme (netted off with interest expenses)	8,34,72,376	11,23,29,133
Duty drawback and Other Export Incentives (recognized under Other operating revenues)	11,72,54,065	9,09,49,832





37. Details of borrowing cost capitalized during the year under fixed assets – ₹ 150.57 Lakhs (31.03.2013 - ₹ 4.69 Lakhs).

38. Related Party Transactions :

Key Management Personnel	Sri S V Arumugam, Managing Director
Relatives of Key Management Personnel	Sri A Senthil, S/o Sri S V Arumugam Chief Executive Officer
Related Party	Shiva Texyarn Limited Anamallais Automobiles (P) Ltd Annamallai Infrastructures Limited Young Brand Apparel P Limited Bannari Amman Flour Mill Limited Sakthi Murugan Transports Limited
Relationship	Enterprises in which the Key management Personnel or relatives have significant influence.

II. Related Party Transactions :

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.3.2014
Purchase of Yarn	₹ 3,84,46,698	(₹ 4 05,10,019)	
Sale of Yarn	₹ 11,11,545	(₹ 81,92,230)	
Sale of Fabric	₹ 10,68,25,441	(₹ 2,48,40,916)	
Conversion Charges Received	₹ 2,76,34,291	(₹ 2,12,02,491)	
Conversion Charges Paid	₹ 2,36,81,526	(₹ 3,49,27,752)	
Rent Paid	₹ 3,02,060	(₹ 3,39,748)	
Purchase of Garments	₹ NIL	(₹ 40,27,500)	₹ 79,12,700/-
Purchase of Cotton	₹ 2,22,44,906	(₹ NIL)	(₹ 2,52,60,692/-)
Sale of Stores	₹ 6,43,857	(₹ NIL)	
Sale of Garment	₹ 20,918	(₹ NIL)	
Lease Rent Received	₹ 70,00,000	(₹ NIL)	
Lease Rent Paid	₹ 47,00,760	(₹ NIL)	
Vehilce Maintenance Expenses	₹ NIL	(₹ 89,587)	
Purchase of Fabric	₹ 5,16,457	(₹ 2,82,43,531)	



39. Basic and Diluted Earnings per Share :

Details	FY 2013-14	FY 2012-13
Profit/(Loss) for the year attributable to Equity Share holders (₹)	31,56,80,686	27,31,81,229
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	20.04	17.34
Nominal Value of Share (₹)	10.00	10.00

Basic and Diluted Earnings per Share – Excluding Extraordinary Items:

Details	FY 2013-14	FY 2012-13
Profit for the year attributable to Equity Share holders (₹.)	31,56,80,686	27,31,81,229
Add: Extraordinary items (net of tax)	NIL	NIL
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	31,56,80,686	27,31,81,229
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹.)	20.04	17.34
Nominal Value of Share (₹.)	10.00	10.00

40. The net deferred tax liabilities as at 31.03.2014 comprise the following as per the Accounting Standard 22.

Particulars	As at 2013-14	As at 2012-13
Deferred Tax Liability on A/c of Depreciation	77,00,29,544	76,12,71,699
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation.	10,11,43,854	23,72,01,146
Net Deferred Tax Liability	66,88,85,690	52,40,70,553



The Company has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits of the Company.

41. Disclosures regarding interest in Joint Venture - The Company has invested ₹ 1991.71 Lakhs (₹ 1991.71 Lakhs) in the equity shares of Young Brand Apparel Private Limited (A Joint venture of the Company) as on 31.03.2014. The company does not have any further capital commitment towards purchase of shares of the Joint venture entity.

42. Details of interest in Joint Venture Company

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% of voting power held as on 31.3.2014</b>	<b>% of voting power held as on 31.3.2013</b>
Young Brand Apparel Private Limited	India	33.33	33.33

The Proportionate interest of the Company in the Joint Venture entity as on 30.09.2012 is as under: (₹ in Lakhs)

<b>Financial Year Ended</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Contingent Liabilities</b>	<b>Income</b>	<b>Expenditure</b>
30.9.2012*	2302.19	1999.23	NIL	3562.05	4106.71
31.3.2011	2767.42	2006.12	NIL	2544.33	2615.67

\* Audited Accounts for 18 months period ended 30.9.2012.

Vide our Report Annexed

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**  
Partner  
Membership No. 200/18111  
ICAI Firm Regn. No: 003328S

Coimbatore  
21<sup>st</sup> May, 2014

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

**N KRISHNARAJ**  
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2014

(₹ in Lakhs)

	31.3.2014	31.3.2013
<b>I CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation & Extraordinary items	4,604.96	4,072.42
Adjustments for :		
Depreciation	3,500.16	3,575.65
Interest income	(51.74)	(90.27)
Dividend income	(0.00)	(0.92)
Finance costs	3,786.07	3,804.81
Foreign Exchange Fluctuation	148.36	183.88
(Profit) / Loss on sale of asset	42.40	(6.14)
	<b>7,425.25</b>	<b>7,467.01</b>
Operating profit before working capital changes	12,030.21	11,539.44
Debtors	(2,257.45)	(1,202.57)
Inventories	(9,250.19)	837.61
Other Current Assets	(190.07)	547.25
Current Liabilities	857.76	(759.27)
	<b>(10,839.95)</b>	<b>(576.98)</b>
Cash generation from operations	1,190.26	10,962.46
Add: income taxes (Paid)/refund	(773.73)	(628.53)
<b>Net cash from operations</b>	<b>416.53</b>	<b>10,333.94</b>
<b>II CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,862.26)	(1,988.43)
Proceeds from sale of assets	25.20	24.87
Interest income	51.74	90.27
Dividend income	-	0.92
Purchase of Investments	(114.52)	(517.44)
Proceeds from sale of investment	-	66.92
	<b>(2,899.84)</b>	<b>(2,322.89)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2014 (Contd....)****(₹ in Lakhs)**

	<b>31.3.2014</b>	<b>31.3.2013</b>
<b>III CASH FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in short term borrowing	11,185.61	(2,284.98)
Decrease in Long Term Borrowings	(4,646.90)	(978.41)
Interest paid	(3,786.07)	(3,804.81)
Dividend Paid	(368.63)	-
	<b>2,384.01</b>	<b>(7,068.20)</b>
Net (decrease)/increase in cash and cash equivalents	(99.30)	942.84
Opening cash and bank balances	2,189.88	1247.04
Closing cash and bank balances	2,090.58	2189.88
Net (decrease)/increase in cash and cash equivalents	(99.30)	942.84

For **P N RAGHAVENDRA RAO & Co**  
Chartered Accountants

**P R VITTEL**  
Partner  
Membership No. 200/18111  
ICAI Firm Regn. No: 003328S

Coimbatore  
21<sup>st</sup> May, 2013

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

**N KRISHNARAJ**  
Company Secretary


**Financial Performance - Yearwise**

(₹ in lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover*	Profit before Depreciation	Depreciation	Profit before Tax	Dividend on Equity Shares (%)
1994-1995	350.05	0.32	8.60	1.21	0.90	0.32	-
1995-1996 (18 months)	350.05	42.16	3171.12	185.77	143.93	41.84	-
1996-1997	350.05	104.84	4936.08	769.28	668.09	101.19	10
1997-1998	350.05	181.02	5270.53	494.61	379.92	114.69	10
1998-1999	350.05	592.27	6137.82	792.70	342.60	450.10	10
2000-2001 (18 months)	350.05	1464.27	9942.63	1702.90	537.03	1165.87	15
2001-2002	350.05	1736.63	6365.46	736.57	333.64	402.93	10
2002-2003	350.05	2085.64	6361.65	1183.80	340.02	843.78	10
2003-2004	350.05	2685.39	7533.23	1206.95	322.97	883.99	20
2004-2005	875.13	3601.48	7487.43	1789.41	321.42	1467.99	20
2005-2006	1575.43	13569.54	8670.07	2044.41	470.86	1573.55	20
2006-2007	1575.43	14903.05	11033.07	2563.34	848.69	1714.65	20
2007-2008	1575.43	14657.28	20933.17	3122.39	1493.26	1629.12	20
2008-2009	1575.43	14454.79	29095.40	3139.29	2180.84	958.44	10
2009-2010	1575.43	15683.92	35427.40	4799.92	2565.30	2234.62	15
2010-2011	1575.43	19196.90	58645.01	12108.40	5389.09	6719.31	20
2011-2012	1575.43	17559.28	43660.96	326.46	3722.63	-3396.16	-
2012-2013	1575.43	19922.46	54928.79	7648.08	3575.65	4072.42	20
2013-2014	1575.43	22710.63	71654.61	8105.12	3500.16	4604.96	20

\* Turnover = Net Sales + Closing Stock - Opening Stock

\* Excludes interdivision transfers



# BANNARI AMMAN SPINNING MILLS LTD

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043

CIN : L17111TZ1989PLC002476

## ATTENDANCE SLIP

DP ID Number		Name and Address of the registered Shareholder
Client ID/Regd. Folio No.		
No. of Shares held		

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Twenty Fourth Annual General Meeting held on Monday the 25<sup>th</sup> August 2014 at 9.15 a.m. at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickeripalayam, Coimbatore - 641037.

Note : Please complete this and hand it over at the entrance of the hall.

Member's / Proxy's Signature

### Form No. MGT - 11 PROXY FORM

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

CIN	L17111TZ1989PLC002476
Name of the Company	BANNARI AMMAN SPINNING MILLS LTD
Registered Office	252, Mettupalayam Road, Coimbatore - 641 043
Name of the shareholder	
Registered address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the share holder (s) of ..... shares of the above named company, hereby appoint

1	Name		Signature	
	Address			
	E-mail ID			
	or failing him			
2	Name		Signature	
	Address			
	E-mail ID			
	or failing him			
3	Name		Signature	
	Address			
	E-mail ID			
	or failing him			

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on Monday the 25<sup>th</sup> August, 2014 at 9.15 am at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.	2.	3.	4.
----	----	----	----

Signed this ..... day of ..... 2014.

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix  
Revenue  
Stamp

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







# BANNARI AMMAN SPINNING MILLS LTD

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043

Phone : 0422 - 243555 Fax : 0422 - 4383325

E-mail : shares@bannarimills.com Website : www.bannarimills.com

CIN : L17111TZ1989PLC002476

## POSTAL BALLOT FORM (in lieu of E-voting)

Sr. No. \_\_\_\_\_

Name and Registered Address of the Sole/First named Member :

Names of the Joint Member(s), if any :

Registered Folio No. / DP ID No. / Client ID No. :

No. of shares held :

E-Voting Sequence Number (EVSN) :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions to be passed through Postal Ballot/e-voting as set out in the Notice dated May 21, 2014 of the Company by conveying sending my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

Item No.	Description	Type of Resolution (Ordinary/Special)	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon	Ordinary			
2	Declaration of Dividend on equity shares	Ordinary			
3	Appointment of Auditors and fixing of their remuneration	Ordinary			
4	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri K N V Ramani	Ordinary			
5	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri C S K Prabhu	Ordinary			
6	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Dr KR Thillainathan	Ordinary			
7	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri S Palaniswami	Ordinary			
8	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri K Sadhasivam	Ordinary			
9	Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013	Special			
10	Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company	Special			

Place :

Date :

Signature of the Member

Notes : (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.

(ii) Last date for receipt of Postal Ballot Form: 22.08.2014

(iii) Please read the instructions printed overleaf carefully before exercising your vote.



# INSTRUCTIONS

## 1. General Instructions:

- a. There will be one Postal Ballot Form/e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted for Physical Postal Ballot, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and e-voting, then vote cast through e-voting shall prevail and vote cast through Physical Postal Ballot shall be considered as invalid.
- c. Voting in the Postal ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.
- d. Any query in relation to the Resolutions proposed to be passed by Postal Ballot may be addressed to Shri N Krishnaraj, Company Secretary, at the Registered Office of the Company.
- e. The Scrutinizer's decision on the validity of a Postal Ballot/E-voting shall be final and binding.

## 2. Instructions for voting physically by Postal Ballot Form :

- a. A member desirous of exercising his/her Vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer, Mr R Dhanasekaran, Practicing Company Secretary (CP No.7745), C/o. Link Intime India Private Limited Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.
- b. This Form must be completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- c. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- d. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on 11<sup>th</sup> July, 2014.
- e. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- f. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- g. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (17:00 hrs.) on 22<sup>nd</sup> August, 2014. All Postal Ballot Forms received after this date will be strictly treated as if no reply has been received from the Member.
- h. A Member may request the Company for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No. 2(g) above.
- i. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot Form except giving their assent or dissent and putting their signature. If any such other paper is sent, the same will be destroyed by the Scrutinizer.
- j. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
- k. The results would be displayed on the Company's website [www.bannarimills.com](http://www.bannarimills.com), besides communicating to the Stock Exchanges where the Company's shares are listed.

## PLANT LOCATIONS :

### Spinning Division

NaduKandanur Pirivu, Morepatty Post  
Vadamadurai, Dindigul 624 802. Tamilnadu

Velvarkottai, Dindigul Trichy National Highway 45  
Vedasandur Taluk, Dindigul 624 803. Tamilnadu

### Weaving Division

Karanampet - Paruvai Road  
Paruvai Post, Coimbatore - 641 658

### Technical Textile Division

Kovai – Sathy Main Road, Kunnathur Village  
Ganesapuram Post, S S Kulam (Via)  
Coimbatore - 641 107

### Windmill Division

Irukandurai & Dhanakarkulam Villages  
Radhapuram Taluk  
Tirunelveli District, Tamilnadu

Chinnapudur Village  
Dharapuram Taluk  
Erode District, Tamilnadu

Melkaraipatti & Kottathurai Villages  
Palani Taluk  
Dindigul District  
Tamilnadu

Virugalpatti Village  
Illuppanagaram Village  
Udumelpet Taluk, Tirupur District  
Tamilnadu

### Garment Division

Palladam Hitech Weaving Park  
Sukkampalayam Village  
K N Puram (Po) Palladam- 641 662

### Processing Division

Plot No. H-11, E-12  
SIPCOT Industrial Growth Estate  
Perundhurai, Erode - 638 052

**BANNARI AMMAN**



**BANNARI AMMAN**  
Spinning Mills Ltd.

252, Mettupalayam Road, Coimbatore - 641 043, Tamil Nadu, India

Ph: 91 - 422 - 2435555 Fax: 91 - 422 - 2430233

E-mail: [shares@bannarimills.com](mailto:shares@bannarimills.com), [www.bannarimills.com](http://www.bannarimills.com)

CIN: L17111TZ1989PLC002476