


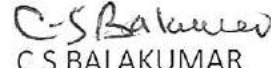




# BANNARI AMMAN SPINNING MILLS LIMITED

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

BSE LIMITED  
FLOOR25,  
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 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<ul style="list-style-type: none"><li>CEO/Managing Director</li></ul>	 S V ARUMUGAM Chairman & Managing Director
	<ul style="list-style-type: none"><li>CFO</li></ul>	 C S BALAKUMAR Chief Financial Officer
	<ul style="list-style-type: none"><li>Auditor of the company</li></ul>	 P R VITTEL Partner, P N Raghavendra Rao & Co
	<ul style="list-style-type: none"><li>Audit Committee Chairman</li></ul>	 C S K PRABHU Director



**BANNARI AMMAN SPINNING MILLS LTD**



**25<sup>th</sup>**  
**ANNUAL REPORT**  
**2015**

## CONTENTS

Board of Directors .....	1
Notice to Shareholders .....	2
Directors' Report .....	12
Annexure to Directors' Report .....	20
Corporate Governance .....	38
Management Discussion and Analysis .....	51
Auditors' Certificate on Corporate Governance .....	54
Independent Auditors' Report .....	55
Balance Sheet .....	60
Statement of Profit and Loss Account .....	61
Notes to Financial Statement .....	62
Cash Flow Statement .....	92
Financial Performance - Year wise .....	94

**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
Smt S Sihamani	-	Director

**CHIEF EXECUTIVE OFFICER**

Sri A Senthil

**COMPANY SECRETARY**

Sri N Krishnaraj

**CHIEF FINANCIAL OFFICER**

Sri C S Balakumar

**AUDITORS**

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

**INTERNAL AUDITORS**

M/s B M & Associates  
Chartered Accountants  
Coimbatore - 641 014

**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 Maharastra  
Indian Bank  
IDBI Bank  
Allahabad Bank



## **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of the Company will be held at Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037 on Monday, 28<sup>th</sup> day of September, 2015 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 BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, the reports of the Board of Directors and the Auditors thereon;
2. To declare dividend on equity shares
3. To appoint a Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment
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 Section 139, 142 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 appointment of the auditors of the Company viz., M/s P N Raghavendra Rao and Co., Chartered Accountants, Coimbatore (Firm Registration No.003328S), to hold office from the conclusion of this 25<sup>th</sup> Annual General Meeting and untill the conclusion of 26<sup>th</sup> Annual General Meeting be and is hereby ratified and that the Board of Directors be and are hereby authorised to fix their remuneration for the Financial Year 2015-16, on the recommendation of Audit Committee.

#### **SPECIAL BUSINESS**

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

**RESOLVED that :**

- I. Smt S Sihamani, (DIN 06945399), who was appointed as an additional Director of the Company by the Board of Directors w.e.f 1.9.2014 to hold office up to the date of the ensuing 25<sup>th</sup> Annual General Meeting, be and is hereby appointed as Director of the company and
- II. 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, Smt S Sihamani, (DIN 06945399), who fulfills the criteria required for appointment as independent Director, be and is hereby appointed as an Independent Director to hold office for a term of five consecutive years, i.e., from the date of the ensuing 25<sup>th</sup> Annual General Meeting and she is not liable to retire by rotation.

**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 Sections 196, 197, 198, 199 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the approval of the shareholders be and is hereby accorded for appointment and payment of remuneration to Sri S V Arumugam, as Managing Director (DIN 00002458) of the Company for a further period of 3 years w.e.f. 27.6.2015 and that Sri S V Arumugam, Managing Director, be paid the following remuneration as recommended by the Nomination and Remuneration Committee:

**1. REMUNERATION: 10% (Ten percent)** of the Net Profits of the Company computed under the relevant provisions of the Companies Act, 2013, as overall remuneration, paid in the following manner:

- a. Salary:** ₹ 5,00,000/- (Rupees Five Lakhs only) per month.
- b. Perquisites:** As may be decided by the Board of Directors, an amount not exceeding annual Salary.
- c. Commission:** Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year.

**2. PERQUISITES NOT INCLUDED IN THE ABOVE REMUNERATION:**

- I) Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.
- II) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- III) Encashment of leave as per rules of the Company.

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

**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of ₹ 1,00,000 (Rupees One Lakh only)



(besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Accountant (Firm Registration No. 102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31<sup>st</sup> March 2016 be and is hereby ratified and confirmed.

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

RESOLVED that Article 106.b) and Article 111 of the Articles of Association of the Company be deleted.

Coimbatore

30<sup>th</sup> May, 2015

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**

**Notes:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of items 5 to 8 of the Agenda are annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 22.9.2015 to 28.9.2015 (both the days are 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 28.9.2015. 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 21.09.2015.
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 be 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, and clause 35B of the Listing Agreement, 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 commence on 25.9.2015 at 10:00 a.m and will end on 27.9.2015 at 5:00 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 voting process in a fair and transparent manner.
11. **The instructions for shareholders voting electronically are as under :**
  - i. The voting period begins on 25.9.2015 at 10.00 AM and ends on 27.9.2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.9.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iii. Click on Shareholders.
  - 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.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vii. If you are a first time user follow the steps given below:





	<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 sequence number which is printed on Ballot / Attendance Slip indicated 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 the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for 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 "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 same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

12. Kindly note that members can opt for only one mode of voting i.e., either by voting at the venue or through remote e-voting. The Members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.
13. 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

30<sup>th</sup> May, 2015

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 5**

Smt S Sihamani was appointed by the Board of Directors as an Additional Director (Woman Director) of the Company with effect from 1.9.2014 in compliance of section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Smt S Sihamani will hold her office upto the date of ensuing 25<sup>th</sup> Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and is eligible and seeks appointment as a Director.

Further, In terms of Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Smt S Sihamani, as an Independent Director for a term of five consecutive years from the date of the ensuing 25<sup>th</sup> Annual General Meeting.

The company has received from her the consent to act as Independent Director and a Declaration stating that she meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Under Clause 49 of the Listing Agreement.

In the opinion of the Board, Smt S Sihamani fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director (Woman Director) of the Company and is independent of the management. She does not hold by herself or for any other person on a beneficial basis, any shares in the Company. Copy of the draft letter for appointment of Smt S Sihamani 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 Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing her candidature for being appointed as an Independent Director together with the requisite deposit.

The Board considers that her association would be of beneficial to the Company and it is desirable to avail services of Smt S Sihamani as an Independent Director. Further information about the appointee, as required to be furnished under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed.

The Board of Directors recommend the Ordinary Resolution set out in this item of the notice for approval of members.

Except Smt S Sihamani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

**ITEM 6**

The term of office of Sri S V Arumugam, Managing Director of the Company expires on 26.6.2015. He is associated with the Textile Industry for about 30 years. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry. Considering the duties and responsibilities entrusted to him and the commendable performance achieved by the Company during his tenure of office, the Board of Directors have proposed to re-appoint Sri S V Arumugam as Managing Director and also to fix the remuneration payable to him, for a further period of 3 years with effect from 27.6.2015.



Sri S V Arumugam is also the Managing Director of Young Brand Apparel Private Limited.

The aforesaid re-appointment and payment of remuneration were recommended by the Nomination and Remuneration Committee at its meeting held on 16.3.2015.

The remuneration proposed is within the limits prescribed in Schedule V of the Companies Act, 2013. Further information about the appointee as required to be furnished under Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed.

A copy of memorandum setting the terms and conditions of appointment of Managing Director is available at the Registered Office of the Company during business hours for inspection of members.

The Board of Directors recommend the Ordinary Resolution set out in this item of the notice for approval of members.

Except Sri S V Arumugam, the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

#### **ITEM 7**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Sri M Nagarajan, Cost Accountant to conduct the audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March 2016, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution set out in this item of the notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

#### **ITEM 8**

It is proposed to delete the Article nos. 106.b) and 111 in the existing Articles of Association of the Company with the consent of the shareholders by way of a Special Resolution, to facilitate the compliance of Section 152(6) of the provisions of the Companies Act, 2013.

A draft copy of the Articles of Association is available for inspection of the members during business hours at Registered Office of the Company.

Necessary Special resolutions is placed before the members for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Coimbatore

30<sup>th</sup> May, 2015

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**



**ANNEXURE TO THE NOTICE**

**RE-APPOINTMENT OF DIRECTORS**

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

Name	: Smt S Sihamani
Age	: 62 years
Qualification	: B.A.
Date of Appointment	: 1.9.2014
Experience	: Engaged in social welfare activities for the past 10 years
Other Directorships	: Nil
Member of Committee	: Nil
Member of Committees in other Public Limited Companies	: Nil
Number of Shares held in the Company	: Nil

None of the Directors or Key Managerial Personnel or their relatives are related to Smt S Sihamani, the appointee.

Name	: <b>Sri S V Arumugam</b>
Age	: 66 years
Qualification	: B.Sc., ACA
Date of Appointment	: 27.05.2005
Experience	: He has more than 30 years of experience in Textile Industry
Other Directorships	: Annamallai Infrastructures Limited Bannari Amman Flour Mill Limited Bannari Amman Food Products Limited Sakthi Murugan Transports Limited Shiva Texyarn Limited SIMA Textile Processing Center Limited



Confederation of Indian Textile Industry

Anamallais Agencies Private Limited

Anamallais Automobiles Private Limited

Anamallais Motors Private Limited

Young Brand Apparel Private Limited

Bannari Techno Park Private Limited

Murugan Enterprise Private Limited

Senthil Infrastructure Private Limited

Vedanayagam Enterprises Private Limited

Abirami Amman Mills Private Limited

Accel Apparels Private Limited

Bannari Amman Logistics Private Limited

Bannari Amman Properties Private Limited

Member of Committees : Stakeholders Relationship Committee - Member

Member of Committees in other  
Public Limited Companies : Shiva Texyarn Limited  
Stakeholders Relationship Committee - Member

Number of Shares held in the Company : 168017

None of the Directors or Key Managerial Personnel or their relatives are related to Sri S V Arumugam, the appointee

Coimbatore

30<sup>th</sup> May, 2015

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report together with audited accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

## FINANCIAL RESULTS :

(₹ in Lakhs)

	2014-2015	2013-2014
Profit before Depreciation	4,580.63	8,105.12
Less: Depreciation	2,666.24	3,500.16
Less : Taxes	631.75	1,448.15
Less : Extra Ordinary Item (Net of Tax Expenses)	-	-
Profit after Tax	1,282.64	3,156.81
Surplus brought forward from last year	1,540.09	751.92
Amount available for appropriation	<b><u>2,822.73</u></b>	<b><u>3,908.73</u></b>
<b>Appropriations:</b>		
Provision for Equity Dividend	236.31	315.09
Provision for Tax on Dividend	48.11	53.55
Transfer to General Reserve	1,000.00	2,000.00
Surplus carried over to Balance Sheet	1,538.31	1,540.09
Total	<b><u>2,822.73</u></b>	<b><u>3,908.73</u></b>

## DIVIDEND

Your Directors are glad to recommend payment of dividend of ₹ 1.50/- per equity share of ₹ 10/- each to the equity shareholders (@ 15% of the paid up capital).

## REVIEW OF OPERATIONS

The overall turnover of the Company has decreased by 2.50% in turnover as compared to the previous year, mainly due to lower off take of finished goods in the market. There is no change in the nature of Business of the Company.

## Spinning Division

During the year under review, the Spinning Mills produced 22054.34 tonnes (20700.32 tonnes) inclusive of purchased quantity 885.25 tonnes (1378.53 tonnes) of Yarn and sold 20818.38 tonnes (21050.40 tonnes) of Yarn.





The sales include 11195.79 tonnes (10732.84 tonnes) by way of Export. The total sales of this division amounted to ₹ 48931.22 Lakhs (₹ 52366.13 Lakhs) of which export sales amounted to ₹ 25398.85 Lakhs (₹ 25454.37 Lakhs) constituting 51.91% (48.60%) of the total sales.

### **Weaving Division**

The Weaving Division specializes in manufacturing wider-width cotton fabric. During the year under review, 96.40 Lakh Metres (76.23 Lakh Metres) of Fabric were produced and 88.85 Lakh Metres (71.59 Lakh Metres) of Fabric were sold.

### **Knitting Division**

During the year under review, 3176.25 tonnes (1672.42 tonnes) of Knitted fabric were produced and 3224.01 tonnes (1529.40) tonnes were sold. The total sales of this division amounts to ₹ 7367.93 Lakhs (₹ 3640.95 lakhs) of which export sales amounted to ₹ 1370.13 Lakhs (₹ 806.07 lakhs).

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

During the year under review, 768.54 tonnes (583.32 tonnes) of fabrics were processed and the total processing charges of this division amounts to ₹ 614.62 Lakhs (₹ 464.13 lakhs).

### **Garment Division**

During the year under review, 9.10 lakhs (7.46 lakhs) pieces of Garments were produced and sold 8.68 lakhs (7.09 lakhs) pieces. The total sales of this division amounts to ₹ 3572.56 lakhs (₹ 3192.49 lakhs) of which export sales amounted to ₹ 3533.38 lakhs (₹ 3143.25 lakhs).

### **Wind Mill Division**

The company has 4 windmills of 1250 KW each totaling 5 MW 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 and Weaving Unit.

The windmills produced 449.40 Lakh units of power as against 492.39 Lakh units produced in the last year.

### **PROSPECTS FOR THE CURRENT YEAR**

The parity between the cost of inputs and realization on finished products is expected to be favorable. Installation of new machinery in value added divisions will increase business volume and profit margin. Overall performance of your company is expected to be satisfactory.

### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

There are no material changes and commitments affecting the financial position of the Company, subsequent to the end of the Financial Year.



## **PUBLIC DEPOSITS**

The company has no public deposits outstanding at the beginning of the year and the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

## **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 continues to adhere good corporate governance practices consistently.

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

## **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as on Financial Year Ended on 31<sup>st</sup> March, 2015, pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report, in Form MGT - 9 is enclosed as **Annexure - I**

## **DIRECTORS**

Smt S Sihamani (DIN 06945399), was appointed as Additional Director (Woman Director) u/s 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with effect from 1.9.2014. She holds office upto the date of ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Further, Smt S Sihamani, fulfills the criteria required for being appointed as an Independent Director and recommended to be appointed as an Independent Director of the Company for a term of five consecutive years from date of the ensuing Annual General Meeting.

Sri S V Arumugam, Managing Director (DIN 00002458) is required to retire by rotation at the ensuing Annual General Meeting, he is eligible and seeks re-appointment.

The term of office of Sri S V Arumugam as Managing Director expires on 26.6.2015. The Board of Directors on the recommendation of Nomination and Remuneration Committee, have appointed him for a further period of 5 years and approved the remuneration payable to him. Such appointment and payment of remuneration are subject to approval of shareholders in the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## **KEY MANAGERIAL PERSONNEL**

The Company has appointed the following persons as Key Managerial Personnel during the year.



<b>Name of the persons</b>	<b>Designation</b>
Sri S V Arumugam	Managing Director
Sri C S Balakumar	Chief Financial Officer
Sri N Krishnaraj	Company Secretary

### **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)

The Board has implemented the suggestions made by the Audit Committee from time to time.

### **EVALUATION OF BOARD OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without participation of non-independent directors and management considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

The Board has carried out an annual evaluation of its own performance, of the individual directors as well as the Committees of Directors.

### **BOARD MEETINGS**

During the year under review, four Board Meetings were conducted. The details of the same have been given in the Corporate Governance Report of Clause 49 of the Listing Agreement forming part of this Report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees governed under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

### **ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The policy has been posted in the website of the Company: [www.bannarimills.com](http://www.bannarimills.com).

### **POLICY ON NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors have framed a policy setting out the framework for payment of Remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy is explained as part of the Corporate Governance Report. The Committee ensures that



- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- c. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **RELATED PARTY TRANSACTIONS**

All the related party transactions that were entered into during the financial year in the ordinary course of business and the prices were at arm's length basis. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Hence reporting in AOC-2 is not required. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee and Board of Directors for their review. The policy on Related Party Transactions is available in the website [www.bannarimills.com](http://www.bannarimills.com).

### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 134 (5) of the Companies Act, 2013 your Directors confirm that:

- a) Your Directors have followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;
- b) 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 and of the profit and loss of the Company for that period;
- c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Your Directors have prepared the annual accounts on a going concern basis;
- e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and



- f) Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS**

The present Auditors of the Company M/s P.N.Raghavendra Rao & Co., Chartered Accountants, Coimbatore, were appointed for a term of 3 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 25th August, 2014. A resolution ratifying their appointment in terms of Section 139 is also placed before the shareholders for their approval at the ensuing Annual General Meeting.

### **SECRETARIAL AUDIT**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr R Dhanasekaran, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report is annexed herewith as **Annexure - II**

No adverse qualifications/comments have been made in the said report by the Practicing Company Secretary.

### **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, has appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2015 - 2016 with remuneration. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

### **SUBSIDIARY**

During the year under review, Abirami Amman Mills Private Limited ceased to be a subsidiary of your company. Further the policy determining 'material' subsidiary is available in the website [www.bannarimills.com](http://www.bannarimills.com).

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee & to the Chairman & Managing Director.

The Company has an Internal Audit Department which monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.



Based on the report of internal audit function, corrective actions are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The Committee has developed a Risk Management Policy and implemented the same. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The Company has partially spent the amount stipulated under the requirements of the Act. Corporate Social Responsibility Committee constituted consisting of the following Directors with effect from 21.5.2014.

Sri S V Arumugam	-	Managing Director
Sri S Palaniswami	-	Independent Director
Sri K Sadhasivam	-	Independent Director

The CSR activities and its related particulars is enclosed as **Annexure III**

## STATUTORY DISCLOSURES

- I. **Conservation of Energy and others** - The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March 2015 relating to Conservation of Energy, etc., is enclosed as **Annexure IV**.
- II. **Remuneration of Directors and other details**- The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2015 is provided in **Annexure V**.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review the human relations continued to be very cordial. The Company wishes to acknowledge the contribution of the employees at all levels of the organisation.





The Company has placed an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints for sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaints received for disposal off during the year.

**ACKNOWLEDGEMENT**

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

30<sup>th</sup> May, 2015

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**





**ANNEXURE I**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2015

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L17111TZ1989PLC002476
- ii) Registration Date : 10<sup>th</sup> July 1989
- iii) Name of the Company : Bannari Amman Spinning Mills Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares/ Indian Non Government Company
- v) Address of the Registered office and contact details : 252, Mettupalayam Road, Coimbatore - 641 043  
0422 2435555 E-mail : shares@bannarimills.com
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Private Limited,  
35, Surya Mayflower Avenue, Behind Senthil Nagar,  
Sowripalayam Road, Coimbatore - 641028  
Ph : 0422 - 2314792  
E-mail : coimbatore@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SI No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Grey Woven Fabrics	2340	13.68
2	Knitted Fabrics	2601	13.28
3	Cotton Yarn	2351	58.56

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SI No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Young Brand Apparel Pvt Ltd Kattuputhur Village Ozhaiyur Post, Uthiramerur Tk, Kanchipuram - 603107	U18101TN2006PTC081600	Associate Company (Joint Venture)	33.33%	2 (6)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

S No	Category of shareholders	No. of shares held at the beginning of the year (As on 31-3-2014)				No. of shares held at the end of the year (As on 31-3-2015)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoters</b>									
<b>1)</b>	<b>Indian</b>									
a)	Individual/ HUF	168017	0	168017	1.07	168017	0	168017	1.07	0
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	8583233	0	8583233	54.48	8583233	0	8583233	54.48	0
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (1) :-</b>	<b>8751250</b>	<b>0</b>	<b>8751250</b>	<b>55.55</b>	<b>8751250</b>	<b>0</b>	<b>8751250</b>	<b>55.55</b>	<b>0</b>
<b>2)</b>	<b>Foreign</b>									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
b)	Other -Individual	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (2) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter (A)(1) + (A) (2)</b>	<b>8751250</b>	<b>0</b>	<b>8751250</b>	<b>55.55</b>	<b>8751250</b>	<b>0</b>	<b>8751250</b>	<b>55.55</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>	0	0	0	0	0	0	0	0	0
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	286214	0	286214	1.82	914	0	914	0.01	-1.81
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	<b>Others (specify)</b>	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(1):-</b>	<b>286214</b>	<b>0</b>	<b>286214</b>	<b>1.82</b>	<b>914</b>	<b>0</b>	<b>914</b>	<b>0.01</b>	<b>-1.81</b>
<b>2.</b>	<b>Non-Institutions</b>									
a)	Bodies Corp.									
i)	Indian	2260912	1	2260913	14.35	2490071	1	2490072	15.81	1.46
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals	0	0	0	0	0	0	0	0	0
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1366567	6	1366573	8.68	1207149	5	1207154	7.66	-1.02
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2990747	0	2990747	18.98	3022265	0	3022265	19.18	-0.2
c)	<b>Others (specify)</b>									
	Non Resident Indians	90613	0	90613	0.57	91601	0	91601	0.59	0.02
	Clearing Members	7957	0	7957	0.05	191013	0	191013	1.21	1.16
	Trust	2	0	2	0.00	0	0	0	0	0
	<b>Sub-total (B)(2):-</b>	<b>6716898</b>	<b>7</b>	<b>6716805</b>	<b>42.63</b>	<b>7002099</b>	<b>6</b>	<b>7002105</b>	<b>44.45</b>	<b>1.82</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7003012</b>	<b>7</b>	<b>7003019</b>	<b>44.45</b>	<b>7003013</b>	<b>6</b>	<b>7003019</b>	<b>44.45</b>	<b>0</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>15754262</b>	<b>7</b>	<b>15754269</b>	<b>100</b>	<b>15754263</b>	<b>6</b>	<b>15754269</b>	<b>100</b>	<b>0</b>


**ii) Shareholding of Promoter**

S No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Sakthi Murugan Transports Limited	779500	4.95	0	779500	4.95	0	0
2	Murugan Enterprise Private Limited	7803733	49.53	0	7803733	49.53	0	0
3	Sri S V Arumugam	168017	1.07	0	168017	1.07	0	0
	<b>Total</b>	<b>8751250</b>	<b>55.55</b>	<b>0</b>	<b>8751250</b>	<b>55.55</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change) - NO CHANGE**

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

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

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gagandeep Credit Capital Pvt Ltd	913122	5.80	987475	6.27
2	Anuj Anantrai Sheth	734805	4.66	734805	4.66
3	Prescient Securities Private Limited	539621	3.42	565986	3.59
4	Sudarshan Securities Private Limited	425000	2.70	425000	2.70
5	Oriental Bank of Commerce	254948	1.62	914	0.01
6	Mayank Jashwantlal Shah	200000	1.27	0	0.00
7	Nilesh Kishor Shah	160256	1.02	260000	1.65
8	Bharati Vinod Shah	154400	0.98	0	0



S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Mukesh C Patani	150000	0.95	150000	0.95
10	Mukesh Chimanlal Patani	150000	0.95	150000	0.95
11	Hiten Anantrai Sheth	0	0.00	200000	1.27
12	India Infoline Limited	0	0.00	239526	1.52
13	Purnima Mukesh Patani	150000	0.95	150000	0.95

**v) Shareholding of Directors and Key Managerial Personnel:**

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Sri S V Arumugam</b>				
	At the beginning of the year	168017	1.07	168017	1.07
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.):	-	-	-	-
	At the end of the year	168017	1.07	168017	1.07
<b>2</b>	<b>Sri K N V Ramani</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-



S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>3</b>	<b>Sri C SK Prabhu</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>4</b>	<b>Dr K R Thillainathan</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>5</b>	<b>Sri S Palaniswami</b>				
	At the beginning of the year	172	0.00	172	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	172	0.00	172	0.00
<b>6</b>	<b>Sri K Sadhasivam</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-



S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>7</b>	<b>Smt S Sihamani</b>  At the beginning of the year  Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  At the end of the year	-  -  -	-  -  -	-  -  -	-  -  -
<b>8</b>	<b>Sri C S Balakumar</b>  At the beginning of the year  Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  At the end of the year	-  -  -	-  -  -	-  -  -	-  -  -
<b>9</b>	<b>Sri N Krishnaraj</b>  At the beginning of the year  Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  At the end of the year	-  -  -	-  -  -	-  -  -	-  -  -


**V) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	44778.97	0.00	0.00	44778.97
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	207.65	0.00	0.00	207.65
<b>Total (i+ii+iii)</b>	<b>44986.62</b>	<b>0.00</b>	<b>0.00</b>	<b>44986.62</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	6683.91	1948.91	0.00	8632.82
* Reduction	9193.56	0.00	0.00	9193.56
Net Change	2509.65	1948.91	0.00	4458.56
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	42371.37	1948.91	0.00	44320.28
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	105.60	0.00	0.00	105.60
<b>Total (i+ii+iii)</b>	<b>42476.97</b>	<b>1948.91</b>	<b>0.00</b>	<b>44425.88</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :** (in ₹)

S No	Particulars of remuneration	Name of MD	Total Amount
		Sri S V Arumugam	
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	36,00,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,00,000	3,00,000
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	52,59,457	52,59,457
	- others, specify...	0	0
5	Others, please specify	0	0
	<b>Total (A)</b>	<b>91,59,457</b>	<b>91,59,457</b>
	Ceiling as per the Act	95,71,924	95,71,924





**B. Remuneration to other Directors (In ₹)**

S No	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Sri K N V Ramani	Sri S Palaniswami	Sri C S K Prabhu	Dr K R Thillainathan	Sri K Sadhasivam	Smt S Sihamani	
	Fee for attending board committee meetings	45,000	40,000	45,000	25,000	25,000	15,000	<b>1,95,000</b>
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	45,000	40,000	45,000	25,000	25,000	15,000	<b>1,95,000</b>
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	45,000	40,000	45,000	25,000	25,000	15,000	<b>1,95,000</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-	-	-	<b>1,95,000</b>
	Overall Ceiling as per the Act	Not Applicable						

**C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD (In ₹)**

S No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,16,488	9,84,251	18,00,739
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>8,16,488</b>	<b>9,84,251</b>	<b>18,00,739</b>



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Coimbatore  
30<sup>th</sup> May, 2015

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



## ANNEXURE II

## FORM NO.MR-3

## SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015)

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

To  
The Members  
Bannari Amman Spinning Mills Limited  
CIN : L17111TZ1989PLC002476  
252 Mettupalayam Road  
Coimbatore 641 043

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bannari Amman Spinning Mills Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bannari Amman Spinning Mills Limited ("**The Company**") for the financial year ended on 31<sup>st</sup> March 2015 ("Audit Period") according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company;



- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

vi Other laws specifically applicable to the company : Nil

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period)
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

**I report that**, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**I further report that**, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads/Company Secretary/CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial/general laws like, direct and indirect tax laws, labour laws, and environmental laws.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**I further report that,** during the audit period:

The company has not taken any events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Coimbatore  
30<sup>th</sup> May, 2015

**R DHANASEKARAN**  
Company Secretary in Practice  
FCS 7070 / CP7745



**ANNEXURE III**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy - Approved by the Board of Directors and applicable from 14.8.2014

**Present Activities:**

- ✓ Bridging infrastructure & teacher availability gaps in Government Schools
- ✓ Building five Anganwadies (pre-schools) in Dindigul area along with Tamilnadu Government as part of SSI( Self Sufficiency Scheme)
- ✓ Providing for adequate academic reading materials wherever required covering all Anganwadies across Dindigul District where our spinning units are situated.
- ✓ Adopted 8 schools, provided about 40 teaching staff, catering to more than 1000 students. These schools were provided with necessary teaching staff, laboratory equipment, classroom accessories like books and writing materials, etc., Further our company has contributed for infrastructures facilities such as class rooms, toilets and other facilities in such schools

**Future focus:**

- ✓ Actively participating in integrated rural community development
- ✓ Focus on adopting villages with its holistic development
- ✓ Education along with health and sanitation will be the prime concern areas to be addressed
- ✓ Promote quality of services delivered by basic education, basic health, early childhood care and education by supplementing the effort of Government and suitably identifying the critical gaps and addressing it squarely

**Weblink:** <http://www.bannarimills.com/csr.htm>

2. Composition of CSR Committee

Corporate Social Responsibility Committee consists of three Directors of which two are Independent Directors.

Sri V Arumugam - Managing Director

Sri S Palaniswami - Independent Director

Sri K Sadhasivam - Independent Director

3. Average netprofit of the Company for last 3 financial years : ₹14,17,00,267/-
4. Prescribed CSR expenditure : ₹ 28,34,005/-  
(2% of the amount as in item 3 above)



5. Details of CSR spend during the financial year

- a) Total amount to be spent for the financial year : ₹ 28,34,005/-
- b) Amount unspent, if any : ₹ 19,14,157/-
- c) Manner in which the amount spent during the financial year is detailed below :

S No	Projects/ Activities	Sector	Project / program locations	Amount outlay (budget) project/ programwise	Amount spent on the project/ program	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Anganwadi Centres	Govt Sector	Dindigul Dt	25,20,000	5,19,848	5,19,848	Direct
2.	Women's Voluntary Services Assn	Pvt Sector	Coimbatore	-	1,00,000	6,19,848	Direct
3.	Hope after Fire	Pvt Sector	Coimbatore	-	3,00,000	9,19,848	Direct

**Reason for not spending:**

Some of the projects which were to be executed with the participating of Government could not be implemented for want of required approvals.

**Responsibility Statement of the CSR Committee:**

The CSR committee hereby confirms that the implementation and monitoring of CSR activities are in compliance with CSR objectives and policy of the company.

Coimbatore

30<sup>th</sup> May, 2015

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**





## **ANNEXURE IV**

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

The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31<sup>st</sup> 2015 is given here below, and forms part of the Director's Report.

#### **A. CONSERVATION OF ENERGY**

**i) The steps taken or impact on conversation of energy;**

- i) Energy Audit and conservation measure is being adopted periodically.
- ii) The air leakage in the compressor pipe lines and in the machines are checked regularly and deviations are corrected. Energy efficient pneumafil fan and suction nozzle installed in ring frame machine.
- iii) Energy efficient pneumafil fan replaced in Simplex machines. All Humidification Plant blade angle optimized to the requirement of optimum RH% and temp.
- iv) In Polar auto-coner machines suction filter modified and the motor running frequency reduced.

**ii) the steps taken by the company for utilising alternate source of energy;**

During the year under review the Company utilised wind power of 449.40 Lakhs have been capitively consumed

**iii) the capital investment on energy conversation equipments;**

During the year the Company has invested a sum of ₹ 55.57 Lakhs for energy conservation equipments

#### **B) TECHNOLOGY ABSORPTION**

- i) the efforts made towards technology absorption; - Nil
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - Nil
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year); - Nil
- iv) the expenditure incurred on Research and Development; - Nil

#### **C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review foreign exchange earning were ₹ 29973.86 Lakhs (previous year ₹ 29114.28 Lakhs). Foreign exchange outgo was ₹ 5362.72 Lakhs (previous year ₹ 3899.17 Lakhs).

Coimbatore

30<sup>th</sup> May, 2015

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**



## ANNEXURE V

### Disclosure in the Board's Report

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2014-15

Director's Name	Ratio
Sri S V Arumugam, Managing Director	13.91 : 1

- ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in any in the Financial year 2014-15 compared to 2013-14.

Director's Name/CS/CFO	% increase in remuneration
Sri S V Arumugam, Managing Director	-51.27
Sri N Krishnaraj, Company Secretary	13.91
Sri C S Balakumar, Chief Financial Officer	10.52

In respect of other Directors, the Company is paying only sitting fees. Hence, not considered for the above purposes.

- iii) Percentage increase in the median remuneration of employees in the Financial year 2014-15 0.64%
- iv) Number of permanent employees on the rolls of the Company 2756
- v) Explanation on the relationship between average increase in remuneration and the company performance The relationship between average increase in remuneration and the company's performance are determined in the normal course of business and in line with the standards & norms of the Industry.
- vi) Comparison of the remuneration of the Key Managerial Personnel against the Performance of the Company

KMP's remuneration 2014-15 (₹ in lakhs)	% increase / (Decrease) in KMPs remuneration (2014-15 against 2013-14)	Sales 2014-15 (₹ in lakhs)	% increase in sales (2014-15 against 2013-14)
109.59	-46.69	68173.03	-2.71



- vii) Variation in Market Capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	As on 31.3.2014	As on 31.3.2015	Variations	%
Market Capitalization (₹ crores)	171.64	294.28	122.64	71.45
Price Earnings Ratio	5.44	22.95	17.51	321.88

Market quotation of the shares as on 31.3.2015 (NSE)	₹186.80/- per share of face value ₹10/- per share
Market quotations of the shares when the Company came out with the last public offer	Nil
Percentage increase/decrease over in the market quotations of the Company	31.3.2014 - (+) 71.45 31.3.2015 - (+) 0.88

- viii) Average percentile increase already made in the salaries of Employees other than Managerial Personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile increase granted to employees other than managerial personnel is 7.92%

The percentile increase granted to managerial personnel is Nil.

- ix) Comparison of each remuneration of the Key Managerial Personal against performance of the Company

KMP's name and designation	CTC for 2014-15 ₹ in lakhs	% Increase/ (Decrease) in CTC (2014-15 against 2013-14)	Sales for 2014-15 ₹ in lakhs	% increase in sales (2014-15 against 2013-14)
Sri S V Arumugam (MD)	91.59	-51.27	68173.03	-2.71
Sri N Krishnaraj (CS)	8.16	13.91		
Sri C S Balakumar (CFO)	9.84	10.52		



- x) Key parameter for any variable component of remuneration availed by the Directors      The Directors are not eligible for any variable compensation other than Commission payable to Managing Director
- Xi) Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess the highest paid Director during the year      Since the remuneration of the highest paid employee is not in excess of the highest paid Director it is not applicable
- xii) The Board of Directors of the Company affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.
- xiii) The statement of employees receiving remuneration not less than five lakh rupees per month:

Name : S V Arumugam

Age : 66

Designation : Managing Director

Nature of duties : Manage the day to day affairs of the Company

Remuneration (₹ in lakhs) : 91.59

Qualification & Experience (years) : B.Sc., ACA More than 30 years in Textile Industry

Date of commencement of employment : 27.05.2005

Last employment : Shiva Texyarn Limited

None of the employees listed in the said Annexure is relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

During Financial year 2015, the Company has 2756 employees.

Coimbatore  
30<sup>th</sup> May, 2015

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 its operations, procedures, reporting system and in all the interactions with its stakeholders.

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 **7** Directors viz., **1** Executive Director and **6** Non-Executive Independent Directors including a woman director.

NAME OF THE DIRECTOR	CATEGORY	NO. 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. Sri K N V Ramani	Non-Executive Independent	6	1	3
3. Sri C S K Prabhu	Non-Executive Independent	4	3	2
4. Dr K R Thillainathan	Non-Executive Independent	1	-	-
5. Sri S Palaniswami	Non-Executive Independent	1	1	1
6. Sri K Sadhasivam	Non-Executive Independent	-	-	-
7. Smt S Sihamani <sup>#</sup>	Non-Executive Additional	-	-	-

\* 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> Appointed w.e.f. 1.9.2014

The non-Executive Independent Directors fulfill the conditions laid down for appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement entered with the Stock Exchanges. A formal letter of appointment has been issued and a copy of the same is posted on the website of the Company viz., [www.bannarimills.com](http://www.bannarimills.com).



## 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 21.5.2014, 14.8.2014, 14.11.2014 and 14.2.2015. The interval between the two Meetings was well within the maximum period prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board is given all the 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 25.8.2014 :

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES / NO
1. Sri S V Arumugam	4	Yes
2. Sri K N V Ramani	4	Yes
3. Sri C S K Prabhu	4	Yes
4. Dr K R Thillainathan	4	Yes
5. Sri S Palaniswami	4	Yes
6. Sri K Sadhasivam	4	Yes
7. Smt S Sihamani *	2	Not Applicable

\* Appointed w.e.f. 1.9.2014

## FAMILIARISATION PROGRAMME

At the time of appointment of Directors a formal letter of appointment is issued, which sets out roles, functions, duties and responsibilities expected from them. The Directors have also been explained the relevant regulations. The appointments are also provided with necessary information to understand the Company's operations, products and events relating to the Company.

## CODE OF CONDUCT

The Company has adopted the code of conduct for all Board Members and Senior Management as required under Clause 49 of the Listing Agreement. The code is posted on the company's website at [www.bannarimills.com](http://www.bannarimills.com). All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman and Managing Director is attached to this report.



## **AUDIT COMMITTEE**

The Audit Committee consists of following Directors:

- |    |                   |   |                        |
|----|-------------------|---|------------------------|
| 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 :

The term of references to the Audit Committee *inter alia* include the followings:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management
  - iv) Significant adjustments made in the financial statements arising out of audit findings
  - v) Compliance with listing and other legal requirements relating to financial statements
  - vi) Disclosure of any related party transactions
  - vii) Qualifications in the draft audit report
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;





- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- l) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the financial year, the Audit Committee met 4 times (on 19.5.2014, 12.8.2014, 8.11.2014 & 12.2.2015) and the attendance of each member is furnished below :

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

The audit committee chairman was present at the last AGM.



## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee consists of **3** Directors, all of whom are independent. The constitution of Nomination and Remuneration Committee has become operational with effect from 21.5.2014. The Committee has met **2** times on (on 12.8.2014 & 16.3.2015).

<b>Name of the Directors</b>	<b>Position</b>	<b>Attendance</b>
1. Sri K N V Ramani	Chairman	2
2. Sri C S K Prabhu	Member	2
3. Sri S Palaniswami	Member	2

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

- (a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and also recommend to the Board a Policy relating to the Remuneration of Directors, Key Managerial Personnel and other employees.
- (b) Formulating the policy for determining qualification, positive attributes and independence of a Director.
- (c) To formulate criteria for evaluation of Independent Directors and the Board.
- (d) To devise a policy on Board diversity.

### **Remuneration Policy**

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors/Key Managerial Personnel/Senior Managerial Personnel. The policy is accordingly derived from the said Charter. The policy on remuneration is available in the following weblink: [www.bannarimills.com/admin/upload/27012015042925BASML-Remuneration.pdf](http://www.bannarimills.com/admin/upload/27012015042925BASML-Remuneration.pdf)

### **Evaluation Criteria**

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director. The evaluation of the performance of the Board and its committees are evaluated through a questionnaire circulated to all directors and based upon the response to the questionnaire, the directors do a self evaluation of their performance. Accordingly Board reviewed the performance of each of the directors and expressed their satisfaction.

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director.



### Remuneration paid to Managing Director is as follows :

Name	Designation	Remuneration Received ₹
Sri S V Arumugam	Managing Director	91,59,457/-

### Remuneration paid to Director:

All the non-executive Directors are paid a sitting fee of ₹ 5,000/- for each Board Meeting attended by them. The Members of Audit Committee are paid a sitting fee of ₹ 5,000/- for each Committee Meeting attended by them.

### Meeting of Independent Directors

During the year under review the Independent Directors met on 16.3.2015 for the following purposes:

- ❖ Evaluation of performance of non- Independent Directors and the Board as a whole
- ❖ Evaluation of performance of the Chairman and Managing Director of the Company
- ❖ Evaluation of quality and flow information to the Board

All the Independent Directors were present at the meeting.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has partially spent the amount stipulated under the requirements of the Act. Corporate Social Responsibility Committee constituted consisting of the following Directors with effect from 21.5.2014.

1. Sri S V Arumugam - Managing Director
2. Sri S Palaniswami - Independent Director
3. Sri K Sadhasivam - Independent Director

### SUBSIDIARIES

The Company has no material subsidiary within the meaning of Clause 49(V) of the Listing Agreement. The Company has adopted a Policy for determining material subsidiary and is available on the weblink: [www.bannarimills.com](http://www.bannarimills.com)



## **RELATED PARTY TRANSACTIONS**

The company has adopted policy on dealing with Related parties. The same is disclosed in the website of the company and is available in the following weblink:[www.bannarimills.com/admin/upload/27012015042753BASML-RPT.pdf](http://www.bannarimills.com/admin/upload/27012015042753BASML-RPT.pdf)

## **RISK MANAGEMENT COMMITTEE**

Risk Management Committee constituted with effect from 14.11.2014, consists of following members. They are delegated with the powers for implementation and monitoring of the risk management plan of the Company and other related functions.

- |    |                   |   |                         |
|----|-------------------|---|-------------------------|
| 1. | Sri S V Arumugam  | - | Managing Director       |
| 2. | Sri S Palaniswami | - | Independent Director    |
| 3. | Sri C S Balakumar | - | Chief Financial Officer |

## **WHISTLE BLOWER MECHANISM**

The Company has established a Whistle Blower Policy/Vigil Mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of Directors/Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is posted on the company's website at the link [www.bannarimills.com](http://www.bannarimills.com).

## **SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2015**

<b>Name of the Director</b>	<b>No. of shares held</b>
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
Smt S Sihamani	Nil

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship 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 Stakeholders Relationship 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 received 2 complaints from the Investors for redressal during the year and no complaint was pending at the beginning of the year. All the complaints have been resolved to the satisfaction of the shareholders.

In terms of the Clause 5A of Listing Agreement entered into with Stock Exchanges, the Company has opened Demat Suspense Account in the name of "**Bannari Amman Spinning Mills Limited-Unclaimed Shares Demat Suspense Account**" and has 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 owners of such shares claim the shares.

## CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer 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. 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 MEETINGS

Last three Annual General Meetings were held at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641037 on the following dates and details of Special Resolutions passed are as follows :

AGM	Date & Time	Special Resolutions Passed	Voting Pattern
22 <sup>nd</sup>	24.9.2012 9.15 A.M.	Nil	Not Applicable
23 <sup>rd</sup>	23.9.2013 9.15 A.M.	Nil	Not Applicable
24 <sup>th</sup>	25.8.2014 9.15 A.M.	i) Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013*	Total Votes Polled : 87,53,183 Votes Polled for : 87,52,072 Votes Against : 1,111 Votes Neutral : Nil
		ii) Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company*	Total Votes Polled : 87,53,183 Votes Polled for : 87,52,072 Votes Against : 1,111 Votes Neutral : Nil

As per the procedure laid down under Section 108 of the Companies Act, 2013 the company conducted Postal Ballot, apart from e-voting facility and voting at the venue of the meeting, in respect of the \* items mentioned above.

Sri R Dhanasekaran, Practicing Company Secretary, Coimbatore was appointed as Scrutinizer to conduct the voting process.

There is no Special Resolution is proposed for approval of shareholders through postal ballot in the forthcoming Annual General Meeting.

## DISCLOSURES

- ❖ The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- ❖ There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- ❖ The company has a Whistle Blower Policy in place and No personnel has been denied access to the Audit Committee. and
- ❖ The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and in respect of Non-mandatory requirements the company has complied all the conditions excepting the suggestion relating to appointment of separate persons to the post of Chairman and Managing Director/CEO.



## 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 Business Standard (English) and Makkal Kural (Tamil) newspapers. The results and news items relating to the company are displayed in company's website [www.bannarimills.com](http://www.bannarimills.com)
- ii) The Management Discussion and Analysis forms part of this Annual Report.

## SHAREHOLDERS' INFORMATION

### Annual General Meeting

Day and Date	:	Monday, 28 <sup>th</sup> September, 2015
Time	:	9.15 A.M.
Venue	:	Nani Kalai Arangam Mani Higher Secondary School Pappanaickenpalayam, Coimbatore 641 037

### Financial Calendar

Results Announced	:	30.5.2015
Posting of Annual Report	:	On or before 30 <sup>th</sup> August 2015
Last date of receipt of Proxy forms	:	26 <sup>th</sup> September, 2015
Dividend payment Date	:	on or before 10 <sup>th</sup> October, 2015
Announcement of Quarterly Results	:	During first/second week of August and November 2015; February and May 2016 or as stipulated by SEBI from time to time.

**Date of Book Closure for the purpose of Dividend and Annual General Meeting** 22.9.2015 to 28.9.2015 (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 2014 to March 2015 were:





MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High (₹. Ps.)	Low (₹. Ps.)	High	Low
April 2014	125.00	105.00	6869.85	6650.40
May	135.50	105.00	7563.50	6638.55
June	160.00	117.10	7700.05	7239.50
July	156.00	120.00	7840.95	7422.15
August	144.00	118.00	7968.25	7540.10
September	154.90	126.00	8180.20	7841.80
October	150.00	123.40	8330.75	7723.85
November	207.95	134.00	8617.00	8290.25
December	204.00	150.00	8626.95	7961.35
January 2015	180.85	157.55	8996.60	8065.45
February	188.00	157.10	8941.10	8470.50
March	229.00	178.55	9119.20	8269.15

Based on the closing quotation of ₹ 186.80 as at 31.3.2015 at NSE Mumbai, the market capitalization of the company was ₹ 294.28 Crores.

#### SHARE DETAILS

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

Exchange	Stock Code	Exchange	Stock Code
<b>BSE 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 2015 - 2016

#### Outstanding GDRs/ADRs/Warrants or any convertible instruments

The company has not issued GDRs/ADRs/Warrants or any convertible instruments



## DEMATERIALISATION 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

Phone : (0422) 2314792, 2315792

Fax : (0422) 2314792

Sowripalayam Road, Coimbatore - 641 028.

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.

## DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2015

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	87,51,250	55.55
Banks/FIs/Mutual Funds	914	0.00
Private Corporate Bodies	26,81,085	17.02
Indian Public	42,29,419	26.85
NRI/OCBs	91,601	0.58
<b>Total</b>	<b>1,57,54,269</b>	<b>100.00</b>



**UNIT LOCATIONS :**

<b>Spinning Units</b>	
NaduKandanur Pirivu, Morepatty Post Vadamadurai, Dindigul 624 802. Tamilnadu	Velvarkottai, Dindigul Trichy National Highway 45, Vedasandur Taluk, Dindigul 624 803. Tamilnadu

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

<b>Windmill Units</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 & Iluppanagaram Village Udumelpet Taluk Tirupur District Tamilnadu

<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  
30<sup>th</sup> May, 2015

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 knitted fabrics, processing of fabrics, garments, and wind power generation for captive consumption. Substantial portion of cotton yarn and the entire garment production are exported to various countries. Entire green power generated by windmills is being captively consumed.

The Company has two modern spinning units near Dindigul, Tamilnadu with installed capacity of 1,44,240 Spindles, Weaving unit located at Karnempettai near Palladam, Tamilnadu with installed capacity of 147 Looms, Processing unit located at SIPCOT Industrial Growth Center, Perundurai, Tamilnadu with installed capacity to process 3600 tonnes of fabrics per annum, Knitting unit near Karnempettai, Palladam Tamilnadu with installed capacity to produce 7200 tonnes of Knitted Fabrics per annum, Garments unit located at Palladam Hi-tech Weaving Park, Palladam, Tamilnadu with a capacity to produce 12 Lakh pieces of Garments per annum and 32 Windmills with installed capacity of 29.95 MW power.

### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

India's textile sector is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports contributing around 13 per cent to the country's total exports basket and the textile industry contributes 4 percent to the GDP. The textiles industry is labour intensive and is one of the largest employment providers.

India is one of the world's largest producers of textiles and garments. Abundant availability of raw materials as well as skilled workforce had made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24% of the world's spindle capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.

The close linkage of the Industry to agriculture and the ancient culture, the traditions of the country make the Indian textiles sector unique in comparison to the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

### **OPPORTUNITIES**

Increase in manufacturing costs in developed countries, which were the main markets, caused growth of Textile & Apparel sector in Asian countries which had raw material advantage as well. The manufacturing base spread to smaller nations, particularly those which got preferential access to major markets of USA, Europe and Japan.

Rising per capita income, favourable demographics and preference for branded products is expected to boost demand for textile products. Favourable trade policies and superior quality is



expected to drive textile exports. Changing lifestyles and increasing demand for quality products are set to fuel the need for apparel.

Due to the above, the country has the potential to double itself in size in textile market, over the next 6-7 years. Among the major competing nations, China is losing its competitive advantage in textile mainly on account of increasing labor costs, appreciating Yuan, rising power costs, focus on domestic market and also due to conscious strategy to move towards higher value additions industries.

Other major exporting countries like Pakistan and Bangladesh are facing geo-political issues. In this scenario all major export markets vis-a-vis US, Europe, Japan, Australia, etc are increasingly looking to shift a large portion of their sourcing pie to India. The country is also well placed to fill this gap since its entire major costs, be it cotton; yarn, power, wages, dyes and chemicals etc. are globally competitive now.

'Make in India' campaign covering 25 sectors, including the textile and garment industry, unveiled by the Prime Minister in the presence of the corporate world of India and abroad, puts in place the logistics and systems to address in a timely manner the queries of potential investors.

### **SEGMENT WISE OR PRODUCTWISE PERFORMANCE**

The entire operations of the Company relate to only one segment viz. Textiles therefore, segment-wise / product-wise performance are not applicable. The individual units' performance has been explained in the Directors Report.

### **OUTLOOK**

The Indian cotton textile sector that has not been faring quite well for the past few years could see some stability in the current financial year. The sector would maintain an overall stable outlook led by stable spinning margins in the cotton yarn segment, range-bound cotton prices and favourable domestic market conditions and it is expected to pick up this year on account of improving economic sentiments. However, the outlook for cotton yarn exporters is negative due to a slowdown in demand for yarn particularly from China, leading to softer yarn realizations and lower capacity utilization.

Government's initiatives to revive manufacturing industry with textile as key segment in its 'Make in India' program also adds to the positive outlook for the sector. Notably, Capital investments in the textile sector is witnessing a revival with projects worth hundreds of crore of rupees being announced in the past six months. Several of these projects are scheduled to come online over the next couple of years, adding capacity in the sector when consumer demand is expected to fully revive from the current slump.

### **RISKS AND CONCERNS**

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is uncertain and it fluctuates depending upon weather conditions. The prices of raw material also fluctuate wildly based on supply/demand in the World market and Government policy on export of Cotton.



The predominantly cotton based textile industry is facing several challenges in the recent period owing to higher tariff rates imposed on Indian textile products in all the major international markets when compared to the competing Nations.

Delay in disbursing the Technology Upgradation Fund Scheme Subsidies, and the steep decline in exports of cotton yarn to China has created over supply. In Tamilnadu, the issue of non evacuation of power from windmills due to inadequate infrastructure is yet to be addressed.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control procedures and systems commensurate with its size and nature of its business. The checks and controls are monitored by the Audit Committee for improvement on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements. To maintain its objectivity and independence, the Internal Auditors report in the Audit Committee.

Based on the report of internal audit function, corrective measures are taken in the respective areas and thereby strengthening the internal control system.

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company has been discussed at length in Director's Report to the Members.

#### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

The Company employs 2756 permanent employees and the company maintains cordial relationship with all its employees. The Company has maintained excellent relationship with stakeholders and bankers.

Coimbatore

30<sup>th</sup> May, 2015

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 31.3.2015.

Coimbatore  
30<sup>th</sup> May, 2015

BY ORDER OF THE BOARD  
**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 ('the Company'), for the year ended on 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance with 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 and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated Clause 49 of 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  
30<sup>th</sup> May, 2015

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  
Bannari Amman Spinning Mills Limited

### **1. Report on the Financial Statements**

We have audited the accompanying financial statements of Bannari Amman Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

### **3. Auditors' Responsibility**

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

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

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



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

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

#### **4. Opinion**

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

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

As required by the Companies (Auditor's Report) order, 2015 ('the order') issued by the central Government of India in terms of sub-section 11 of section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 30 to the financial statements.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Coimbatore  
30<sup>th</sup> May, 2015

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

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



### **Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii. a. 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.
- iii. 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 189 of the Companies Act, 2013 ('the Act'). Consequently the provisions of Clauses iii (a) iii (b) and of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit we have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from the public.
- vi. As per information & explanation given by the management maintenance of cost records has been prescribed by the Central Government and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained under section 148(1) of the Companies Act, by the Company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the undisputed statutory dues including provident fund, Employee's State Insurance, Income tax, Sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employee's State Insurance, Income tax, Sales tax, wealth tax,



service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
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	0.11	Assessment year 2011-12	CIT (Appeals), Coimbatore
Central Excise	Excise Duty	69.61	December 2008 to July 2009	CESTAT, Chennai
Central Excise	Excise Duty	46.84	September 2010 to October 2011	Joint Commissioner of Central Excise, Madurai
Central Excise	Excise Duty	0.38	October 2011 to October 2012	Assistant Commissioner of Central Excise, Dindugul
Service Tax	Service Tax	3.20	April 2011 to October 2011	CESTAT, Chennai

- c. According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii. The Company does not have any accumulated losses at the end of the financial year. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us, the term loans are applied for the purpose for which the loans were obtained.
- xii. 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.

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

**P R VITTEL**

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

30<sup>th</sup> May, 2015


**BALANCE SHEET AS AT 31.3.2015**

PARTICULARS	Note No.	As at 31.3.2015 ₹	As at 31.3.2014 ₹
<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	2,37,64,29,061	2,27,10,63,488
2. DEFERRED INCOME PENDING APPORTIONMENT	4	89,30,667	-
3. NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	5	2,05,84,25,109	2,03,56,26,058
(b) Deferred Tax Liabilities (Net)		73,20,60,385	66,88,85,690
(c) Other Long Term Liabilities	6	1,21,89,101	1,18,56,884
(d) Long Term Provisions	7	-	-
4. CURRENT LIABILITIES			
(a) Short Term Borrowings	8	1,72,82,66,435	1,78,17,70,864
(b) Trade Payables	9	59,46,08,596	38,50,01,774
(c) Other Current Liabilities	10	70,97,43,455	74,33,74,404
(d) Short Term Provisions	11	4,38,57,713	4,74,15,609
<b>TOTAL</b>		<b>8,42,20,53,212</b>	<b>8,10,25,37,461</b>
<b>II. ASSETS :</b>			
1. NON-CURRENT ASSETS			
(a) Fixed Assets	12		
(i) Tangible Assets		4,39,65,97,458	4,40,04,53,144
(ii) Intangible Assets		-	-
(iii) Capital Works in Progress		49,83,85,326	2,14,72,825
(iv) Foreign Currency Monetary Items Translation Reserve A/c		51,24,051	1,72,46,708
(b) Non Current Investments	13	26,91,28,857	23,91,22,336
(c) Long Term Loans and Advances	14	53,35,04,510	43,35,30,636
(d) Other Non Current Assets	15	2,34,91,545	2,34,91,545
2. CURRENT ASSETS			
(a) Inventories	16	1,53,45,60,583	1,83,35,19,924
(b) Trade Receivables	17	73,99,23,234	67,21,80,772
(c) Cash and Cash Equivalents	18	13,57,51,987	20,80,97,440
(d) Short Term Loans and Advances	19	22,48,01,670	18,07,49,268
(e) Other Current Assets	20	6,07,83,992	7,26,72,864
<b>TOTAL</b>		<b>8,42,20,53,212</b>	<b>8,10,25,37,461</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

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

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

Coimbatore  
30<sup>th</sup> May, 2015

**N KRISHNARAJ**  
Company Secretary

**C S BALAKUMAR**  
Chief Financial Officer





STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2015

PARTICULARS	Note No.	Year Ended 31.3.2015 ₹		Year Ended 31.3.2014 ₹
1. Revenue from operations	21	6,80,42,35,673		6,99,65,07,319
2. Other income	22	1,30,67,491		1,05,90,481
3. <b>Total revenue</b>		<b>6,81,73,03,165</b>		<b>7,00,70,97,801</b>
4. Expenses				
(a) Cost of materials consumed	23	4,52,05,05,260		4,38,39,15,678
(b) Purchases of stock-in-trade	24	20,46,31,112		29,33,05,150
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(4,97,59,018)		(16,89,53,310)
(d) Employee benefits expenses	26	34,35,87,000		31,83,70,711
(e) Finance costs	27	36,20,63,239		37,86,06,681
(f) Depreciation and amortisation expenses		26,66,24,168		35,00,15,868
(g) Other expenses	28	98,95,15,522		99,13,41,195
<b>Total expenses</b>		<b>6,63,71,67,283</b>		<b>6,54,66,01,972</b>
5. Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		18,01,35,881		46,04,95,829
6. Exceptional Items	29	1,13,02,589		-
7. Profit / (Loss) before extraordinary items and tax		19,14,38,470		46,04,95,829
8. Less : Exceptional Items				
9. Profit / (Loss) before tax (7 + 8)		19,14,38,470		46,04,95,829
10. Tax expense :				
(a) Current tax expense for current year	3,60,41,108		9,21,34,854	
(b) (Less): MAT credit (where applicable)	3,60,41,108		9,21,34,854	
(c) Current tax expense relating to prior year		-		-
(d) Net Current tax expense		-		-
(e) Deferred tax		6,31,74,695		14,48,15,143
11. <b>Profit / (Loss) for the year (9 + 10)</b>		<b>12,82,63,775</b>		<b>31,56,80,686</b>
Earnings per share (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		8.14		20.04
(ii) Total operations		8.14		20.04
(b) Diluted (i) Continuing operations		8.14		20.04
(ii) Total operations		8.14		20.04
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):				
(a) Basic (i) Continuing operations		8.14		20.04
(ii) Total operations		8.14		20.04
(b) Diluted (i) Continuing operations		8.14		20.04
(ii) Total operations		8.14		20.04
See accompanying notes forming part of the financial statements				

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

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

**P R VITTEL**  
Partner  
Membership No. 200/18111  
ICAI Firm Regn. No: 0033285

Coimbatore  
30<sup>th</sup> May, 2015

**N KRISHNARAJ**  
Company Secretary

**C S BALAKUMAR**  
Chief Financial Officer





## **1. Notes to Financial Statements for the year ended 31<sup>st</sup> March 2015**

### **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 the provisions of Section 133 of Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014.
- 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. 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.
- v. Depreciation on tangible assets other than windmills is provided on the straight line basis over the useful life of assets in accordance with Schedule II of Companies Act, 2013. Depreciation on windmill units has been provided on the basis of written down value method over the useful life of assets in accordance with Schedule II of Companies Act, 2013. Depreciation for assets purchased /sold during a period is proportionately charged.
- vi. 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.
- vii. 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.
- viii. 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 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).

- ix. Borrowing costs attributable to the acquisition, construction and installation of qualifying capital assets are capitalized till the period before they are put into use.
- x. 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.
- xi. 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.
- xii. 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.
- xiii. 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 relatable to borrowing cost have been reduced from the borrowing cost thereby reducing the cost of the asset. Government grants relatable 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.
- xiv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.
- xv. 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.
- xvi. 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.
- xvii. 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 31.3.2015 ₹		As at 31.3.2014 ₹
<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>
<b>ISSUED , SUBSCRIBED AND FULLY PAID UP</b>			
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 31.3.2015		As at 31.3.2014	
	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 31.3.2015		As at 31.3.2014	
	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	9,87,475	6.27	9,13,122	5.80



PARTICULARS	As at 31.3.2015 ₹	As at 31.3.2014 ₹
<b>3. Reserves and Surplus</b>		
<b>a. General Reserve</b>		
Opening balance	1,32,39,78,091	1,12,39,78,091
Add: Transferred from surplus in Statement of Profit and Loss	10,00,00,000	20,00,00,000
Add: Transferred from Capital reserve (equivalent to depreciation charged on eligible fixed assets in earlier year)	55,44,000	-
Closing balance	1,42,95,22,091	1,32,39,78,091
<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	15,40,09,167	7,51,91,896
Add : Profit / (Loss) for the year	12,82,63,775	31,56,80,686
Less : Dividends proposed to be distributed to equity shareholders ₹ 1.50/- (one rupees fifty paise per share) (31.3.14 - ₹ 2/- (two) per share)	2,36,31,404	3,15,08,538
Tax on dividend	48,10,798	53,54,876
Transferred to :		
General Reserve	10,00,00,000	20,00,00,000
Closing balance	15,38,30,741	15,40,09,167
<b>Total</b>	<b>2,37,64,29,061</b>	<b>2,27,10,63,488</b>
<b>4. Deferred Income pending Apportionment</b>		
Capital Subsidy on setting up of undertaking	15,000,000	-
Less: Transferred to General Reserve (equivalent to depreciation charged on eligible fixed assets in earlier year)	5,544,000	-
Less: Transferred to Profit & Loss A/c proportionate to current year depreciation	525,333	-
Balance to be apportioned	<b>8,930,667</b>	-



<b>PARTICULARS</b>	<b>As at 31.3.2015 ₹</b>	<b>As at 31.3.2014 ₹</b>
<b>5. Long Term Borrowings</b>		
<b>a. Term loans from Banks - Secured</b>		
ICICI Bank	16,00,00,000	24,00,00,000
Corporation Bank	3,61,27,506	7,61,27,506
Bank of Maharashtra	10,93,75,000	17,18,75,000
Oriental Bank of Commerce	28,08,84,011	46,83,85,780
Indian Bank	89,06,83,035	47,86,41,191
Indian Overseas Bank	36,56,48,832	58,85,55,995
SIPCOT Soft Loan	20,66,97,969	-
<b>b. Long-term maturities of finance lease obligations</b>		
Secured	-	-
Unsecured	90,08,756	1,20,40,586
<b>Total</b>	<b>2,05,84,25,109</b>	<b>2,03,56,26,058</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 31.03.2015 ₹ Nil (31.03.2014 - ₹ 112.50 Lakhs) Current maturity for 31.03.2015 - ₹ Nil (31.03.2014 - ₹ 112.50 Lakhs)"

**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, Veda sandhur 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)"



### **ICICI Bank Limited**

"ICICI Bank Ltd - Rupee Term Loan Outstanding as at 31.03.2015 ₹ 2400.00 Lakhs (31.03.2014 - ₹ 3200 Lakhs) - Current maturity for 31.03.2015 - ₹ 800 Lakhs (31.03.2014 - ₹ 800 Lakhs)"

"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)"

"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2015 - ₹ 761.28 Lakhs (31.03.2014 - ₹ 1161.28 Lakhs) - Current maturity for 31.03.2015 - ₹ 400 Lakhs (31.03.2014 - ₹ 400 Lakhs)"

"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%"

"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2015 ₹ Nil (31.03.2014 - ₹ 56 Lakhs) - Current maturity for 31.03.2015 - ₹ Nil (31.03.2014 - ₹ 56 Lakhs)"

"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 Director of the Company.

Repayment : 32 quarterly instalments starting from August 2006.

Rate of Interest : 9.00% (Fixed)"





### **Bank of Maharashtra**

"Bank of Maharashtra - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2015 ₹ 1718.75 Lakhs (31.03.2014 - ₹ 2343.75 Lakhs) - Current maturity for 31.03.2015 - ₹ 625 Lakhs (31.03.2014 - ₹ 625 Lakhs)"

"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%"

### **Oriental Bank of Commerce**

"Oriental Bank of Commerce - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.03.2015 ₹ 4683.84 Lakhs (31.03.2014 - ₹ 6558.86 Lakhs) - Current maturity for 31.03.2015 - ₹ 1875 Lakhs (31.03.2014 - ₹ 1875 Lakhs)"

"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%"

### **Indian Bank**

"Indian Bank - Rupee Term Loan Outstanding as at 31.03.2015 ₹ 1117.50 Lakhs (31.03.2014 - ₹ 1490.00 Lakhs) - Current maturity for 31.03.2015 - ₹ 372.50 Lakhs (31.03.2014 - ₹ 372.50 Lakhs)"

"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 : 12.75%"

"Indian Bank - Rupee Term Loan Outstanding as at 31.03.2015 ₹ 2344.93 Lakhs (31.03.2014 - ₹ 2468.93 Lakhs) - Current maturity for 31.03.2015 - ₹ 124 Lakhs (31.03.2014 - ₹ 124.00 Lakhs)"

"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.





"Indian Bank - Rupee Term Loan Outstanding as at 31.03.2015 ₹ 5940.91 Lakhs (31.03.2014 - ₹ 1323.98) - Current maturity for 31.03.2015 - ₹ NIL (31.03.2014 - ₹ Nil)"

Repayment :32 Quarterly instalments starting from Feb' 2014.

Rate of Interest : 12.25%"

"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 : 12.25%"

"Indian Overseas Bank - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.03.2015 ₹ 3087.23 Lakhs (31.03.2014 - ₹ 4337.20 Lakhs) - Current maturity for 31.03.2015 - ₹1250 Lakhs (31.03.2014 - ₹1250 Lakhs)"

"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%"

"Indian Overseas Bank - Rupee Term Loan Outstanding as at 31.03.2015 ₹ 2111 Lakhs (31.03.2014 - ₹ 2531 Lakhs) - Current maturity for 31.03.2015 - ₹ 420 Lakhs (31.03.2014 - ₹ 420 Lakhs)"

"Exclusive First charge on windmill 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%"



"Indian Overseas Bank - Foreign Currency Term Loan Outstanding as at 31.03.2015 - ₹ 698.26 Lakhs (31.03.2014 - ₹1277.26 Lakhs) - Current maturity for 31.03.2015 - ₹ 570 Lakhs (31.03.2014 - ₹579 Lakhs)"

"Exclusive First charge on windmill unit II assets situated at Chinnapudur Village, Dharapuram Taluk, Tamilnadu

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

Rate of Interest : 6.3452%"

"SIPCOT - Soft Loan Outstanding as at 31.03.2015 - ₹ 2066.98 Lakhs (31.03.2014 - ₹ Nil - Current maturity for 31.03.2015 - ₹ Nil (31.03.2014 - ₹ Nil)"

"First charge on Fixed Assets and Second Charge on Current Assets. Repayment : The soft loan sanctioned in the 1st year will be repaid in full along with interest in the month of April in the 11th financial year and soft loan sanctioned in the 2nd year shall be repaid in full along with interest in the month of April in the 12th financial year and so on.

Repayment Starting from April' 2017

Rate of Interest : 0.10%.

PARTICULARS	As at 31.3.2015 ₹	As at 31.3.2014 ₹
<b>6. Other Long Term Liabilities</b>		
i) Trade / security deposits received	27,59,101	24,26,884
ii) Others (Advance received for sale of land)	94,30,000	94,30,000
<b>Total</b>	<b>1,21,89,101</b>	<b>1,18,56,884</b>
<b>7 Long Term Provisions</b>		
a) Provision for employee benefits:	-	-
i) Provision for compensated absences	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>8 Short Term Borrowings</b>		
a) Loans repayable on demand		
From banks	-	
Secured	1,53,33,75,254	1,78,17,70,864
Unsecured	19,48,91,181	-
<b>Total</b>	<b>1,72,82,66,435</b>	<b>1,78,17,70,864</b>



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

**Securities and other Terms & Conditions :**

**The Karur Vysya Bank Limited**

"Karur Vysya Bank Ltd - Working Capital Limit ₹ 1050 Lakhs Outstanding as at 31.03.2015 ₹ 1727.35 Lakhs (31.03.2014 - ₹ 1034.58 Lakhs)"

"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.

CC Rate of Interest : 12.25%"

**Corporation Bank**

"Corporation Bank - Working Capital Limit ₹ 5250 Lakhs Outstanding as at 31.03.2015 - ₹ 2492.60 Lakhs (31.03.2014 - ₹ 2423.11 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.

CC Rate of Interest : 12.75%

Short Term Loan : 11.25% (Fixed)"

**ICICI Bank Limited**

"ICICI Bank Limited - Foreign Currency - Working Capital Limit ₹ 1500 Lakhs Outstanding as at 31.03.2015 ₹ 1336.83 Lakhs (31.03.2014 - ₹ 821.38 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 : 3.86%"

**Oriental Bank of Commerce**

"Oriental Bank of Commerce - Working Capital Limit ₹ 6000 Lakhs (Interchangable of Cash credit/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.03.2015 - ₹ 3529.28 Lakhs (31.03.2014 - ₹ 3628.39 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



### **Indian Overseas Bank**

"Indian Overseas Bank - Working Capital Limit ₹ 5000 Lakhs ( Interchangable of Cash credit / W C F C / Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.03.2015 - ₹ 4262.58 Lakhs (31.03.2014 - ₹ 5845.33 Lakhs)"

### **Bank of Maharashtra**

Bank of Maharashtra - Working Capital Limit ₹ 500Lakhs Outstanding as at 31.03.2015 ₹ 231.22 Lakhs (31.03.2014 - ₹ 145.28 Lakhs)

### **Allahabad Bank**

Allahabad Bank - Working Capital Limit (Interchangable of Cash credit/Packing Credit/Packing Credit in Foreign Currency Loan) ₹ 4800 Lakhs. Outstanding as at 31.03.2015 ₹ 1708.64 Lakhs (31.03.2014 - ₹ 3093.04 Lakhs)

Lading evidencing shipment of Goods dealt in by the borrower and drawn under irrevocable letter of credit / Confirmed orders.

CC Rate of Interest : 12.75%

PCFC Rate of Interest : 3.85%"

"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 Rate of Interest : 12.70%

PCFC Rate of Interest : 3.86%"

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

CC Rate of Interest : 12.75%

"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.

CC Rate of Interest : 12.75%

PCFC Rate of Interest : 3.83%"



PARTICULARS	As at 31.3.2015 ₹		As at 31.3.2014 ₹
<b>9. Trade Payables</b>			
Acceptances	59,46,08,596		38,50,01,774
<b>Total</b>	<b>59,46,08,596</b>		<b>38,50,01,774</b>
<b>10 Other Current Liabilities</b>			
a) Current maturities of long-term debt	64,36,50,000		66,05,00,000
b) Current maturities of finance lease obligations	16,86,708		-
c) Interest accrued but not due on borrowings	-		1,61,323
d) Interest accrued and due on borrowings	1,05,59,646		2,06,03,922
e) Other payables			-
i) Statutory remittances "(Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) "	90,74,007		93,49,269
ii) Payables on purchase of fixed assets	1,56,99,964		1,69,12,543
iii) Contractually reimbursable expenses	1,86,656		69,545
iv) Advances from customers	2,88,86,474		3,57,77,803
<b>Total</b>	<b>70,97,43,455</b>		<b>74,33,74,404</b>
<b>11 Short Term Provisions</b>			
a) Provision for employee benefits:			
i) Provision for bonus	1,54,15,512		1,05,52,195
b) Provision for others :			
i) Provision for proposed equity dividend	2,36,31,404		3,15,08,538
ii) Provision for tax on proposed dividend	48,10,798		53,54,876
<b>Total</b>	<b>4,38,57,713</b>		<b>4,74,15,609</b>

74



PARTICULARS	As at 31.3.2015 ₹	As at 31.3.2014 ₹
<b>13. 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	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	1,50,000
vi) Abirami Amman Mills P Ltd 1,00,000 shares of ₹ 10/- each	-	10,00,000
viii) Accel Apparels Pvt. Ltd. 5000 shares of ₹ 10/- each	50,000	-
viii)OPG Power Generation Pvt Ltd - 11381 Shares of ₹ 11/- each	1,25,191	-
C. IN EQUITY INSTRUMENTS OF JOINT VENTURE :		
i) 21720202 (PY 18626869) Equity Shares face value of ₹ 10/- each in Young Brand Apparel Pvt Ltd (Bannari Amman Apparel P Ltd)	23,01,04,490	19,91,71,160
<b>Total</b>	<b>26,90,91,367</b>	<b>23,90,84,846</b>
Aggregate cost of Quoted Investments	37,490	37,490
Aggregate market value of Quoted Investments	2,07,965	2,21,774
Aggregate cost of unquoted Investments	26,90,91,367	23,90,84,846
<b>T O T A L (UNQUOTED &amp; QUOTED)</b>	<b>26,91,28,857</b>	<b>23,91,22,336</b>





<b>PARTICULARS</b>	<b>As at 31.3.2015 ₹</b>	<b>As at 31.3.2014 ₹</b>
<b>14. Long Term Loans and Advances (Unsecured, considered good)</b>		
a) Capital advances	3,67,68,988	1,93,69,024
b) Security deposits	5,85,56,705	4,20,55,865
c) Advance income tax (net of provisions)	2,71,40,769	1,68,56,181
d) MAT credit entitlement	39,57,68,047	35,52,49,566
f) Other loans and advances	1,52,70,000	-
<b>Total</b>	<b>53,35,04,510</b>	<b>43,35,30,636</b>
<b>15 Other Non Current Assets</b>		
a) Others		
i) Receivables on sale of fixed assets	2,34,91,545	2,34,91,545
<b>Total</b>	<b>2,34,91,545</b>	<b>2,34,91,545</b>
<b>16 Inventories</b>		
a) Raw materials	97,63,83,945	133,53,10,601
b) Work-in-progress	7,54,45,570	15,71,16,243
c) Finished goods (other than those acquired for trading)	42,16,18,504	28,56,52,360
d) Stock-in-trade (acquired for trading)	38,17,044	83,53,497
e) Stores and spares	5,72,95,520	470,87,223
<b>Total</b>	<b>153,45,60,583</b>	<b>183,35,19,924</b>
<b>17 Trade Receivables (Unsecured considered good)</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	75,77,291	1,27,94,963
Other Trade receivables	73,23,45,943	65,93,85,809
<b>Total</b>	<b>73,99,23,234</b>	<b>67,21,80,772</b>



PARTICULARS	As at 31.3.2015 ₹	As at 31.3.2014 ₹
<b>18 Cash and Cash Equivalents</b>		
i) Cash and Cash Equivalents		
a) Cash on hand	15,90,405	12,10,741
b) Cheques, drafts on hand	1,79,00,000	1,10,00,000
ii) Balances with banks		
a) In current accounts	5,54,03,119	9,60,58,068
b) In deposit accounts	3,60,78,300	9,09,33,000
Balances held as margin money or security against borrowings, guarantees and other commitments	2,44,09,436	88,95,631
iii) Others (Stamps)	3,70,727	-
<b>Total</b>	<b>13,57,51,987</b>	<b>20,80,97,440</b>
<b>19 Short Term Loans and Advances</b>		
Unsecured, considered good		
a) Security deposits	1,95,42,057	1,63,044
b) Loans and advances to employees	24,31,453	18,47,369
c) Prepaid expenses	3,46,07,294	3,07,11,000
d) Balances with government authorities		
i) CENVAT credit receivable	65,71,001	85,70,064
ii) VAT credit receivable	26,83,910	42,85,909
iii) Excise Duty Rebate receivable	73,82,888	90,91,922
iv) Duty Drawback receivable	5,36,33,950	6,96,60,696
e) Others (Advance for Purchase)	9,33,13,921	5,40,63,794
f) Advance income tax	46,35,197	23,55,471
<b>Total</b>	<b>22,48,01,670</b>	<b>18,07,49,268</b>
<b>20 Other Current Assets</b>		
i) Unbilled revenue	45,41,825	87,28,667
ii) Interest accrued on deposits	3,600	3,600
iii) Insurance claims	3,96,983	-
iv) Others:		
TUF Subsidy Receivable	5,58,41,584	6,39,40,597
<b>Total</b>	<b>6,07,83,992</b>	<b>7,26,72,864</b>



<b>PARTICULARS</b>	<b>As at 31.3.2015 ₹</b>	<b>As at 31.3.2014 ₹</b>
<b>21. Revenue from operations</b>		
Sale of products (Refer Note (i) below)	6,62,83,85,986	6,77,28,47,640
Sale of services (Refer Note (ii) below)	4,44,34,420	9,77,96,181
Other operating revenues (Refer Note (iii) below)	13,14,15,268	12,58,63,499
<b>Total</b>	<b>6,80,42,35,673</b>	<b>6,99,65,07,319</b>
<b>I) Sale of products comprises:</b>		
Manufactured goods		
Yarn	3,95,57,04,427	4,34,55,06,361
Fabric	1,82,09,92,774	1,45,73,55,875
Power	45,41,832	87,28,672
Flock Powder	-	6,46,526
Waste Cotton	30,45,24,609	37,45,35,293
Garments	35,69,99,658	32,57,73,286
<b>Total - Sale of manufactured goods</b>	<b>6,44,27,63,300</b>	<b>6,51,25,46,013</b>
Traded goods		
Yarn	18,56,22,686	26,03,01,627
<b>Total - Sale of traded goods</b>	<b>18,56,22,686</b>	<b>26,03,01,627</b>
<b>Total - Sale of goods (Manufactured and Traded)</b>	<b>6,62,83,85,986</b>	<b>6,77,28,47,640</b>
<b>ii) Sale of services comprises :</b>		
Lamination / Coating / Knitting		
Processing Charges	3,24,34,420	9,02,35,734
Rental Income from operating lease	1,20,00,000	70,00,000
Others	-	5,60,447
<b>Total - Sale of services</b>	<b>4,44,34,420</b>	<b>9,77,96,181</b>



PARTICULARS	Year Ended 31.3.2015 ₹	Year Ended 31.3.2014 ₹
iii) Other operating revenues comprise:		
Sale of scrap	66,53,293	75,80,807
Discount Received	-	4,81,712
Duty drawback and other export incentives	12,42,36,641	11,72,54,065
SIPCOT Subsidy	5,25,333	
Others - Sale of Certified Emission Reduction	-	5,46,914
<b>Total - Other operating revenues</b>	<b>13,14,15,268</b>	<b>12,58,63,499</b>
<b>22 Other income</b>		
Interest income (Refer Note (i) below)	81,22,562	51,73,772
Dividend income:		
Others	145	128
Net gain on foreign currency transactions and translation (other than considered as finance cost)	31,68,945	7,67,088
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	17,75,840	46,49,494
<b>Total</b>	<b>1,30,67,491</b>	<b>1,05,90,481</b>
<b>i) Interest income comprises:</b>		
Interest from banks on:		
Deposits	8,31,345	19,23,505
Interest on EB Deposit	72,91,217	32,50,267
<b>Total - Interest income</b>	<b>81,22,562</b>	<b>51,73,772</b>
<b>ii) Other non-operating income comprises :</b>		
Profit on sale of fixed assets	-	10,000
Liabilities / provisions no longer required written back	16,93,177	-
Miscellaneous income	82,663	46,39,494
<b>Total - Other non-operating income</b>	<b>17,75,840</b>	<b>46,49,494</b>



<b>PARTICULARS</b>	<b>Year Ended 31.3.2015 ₹</b>	<b>Year Ended 31.3.2014 ₹</b>
<b>23 Cost of materials consumed</b>		
Opening stock		
Cotton	1,20,44,81,328	43,54,03,550
Chemicals	46,82,810	50,34,179
Fabric	2,84,55,531	1,92,65,956
Tow	-	10,04,258
Yarn	9,45,13,930	12,61,57,712
Trims	31,77,003	25,23,820
Add: Purchases		
Cotton	3,20,34,66,142	4,43,41,80,369
Chemicals	63,47,643	3,43,96,016
Fabric	8,32,78,592	1,90,64,547
Yarn	83,50,47,099	60,54,86,257
Trims	3,34,39,126	3,67,09,614
Less: Closing stock		
Cotton	84,29,30,044	1,20,44,81,328
Chemicals	85,70,013	1,20,59,901
Fabric	1,36,81,661	2,10,78,439
Yarn	10,91,76,314	9,45,13,930
Trims	20,25,913	31,77,003
<b>Cost of material consumed</b>	<b>4,52,05,05,260</b>	<b>4,38,39,15,678</b>
Material consumed comprises:		
Raw material - Cotton	3,56,50,17,426	3,66,51,02,591
Raw material - Tow & Grey Cut	-	10,04,258
Raw material - Yarn	82,03,84,716	63,71,30,039
Raw material - Fabric	9,80,52,462	1,72,52,064
Raw material - Chemicals	24,60,440	2,73,70,294
Raw material - Trims	3,45,90,216	3,60,56,431
<b>Total</b>	<b>4,52,05,05,260</b>	<b>4,38,39,15,678</b>
<b>24 Purchase of traded goods</b>		
Traded good - Fabric	1,75,94,976	-
Traded good - Yarn	18,70,36,136	29,33,05,150
<b>Total</b>	<b>20,46,31,112</b>	<b>29,33,05,150</b>



PARTICULARS	Year Ended 31.3.2015 ₹	Year Ended 31.3.2014 ₹
<b>25 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	42,16,18,504	29,40,05,857
Work-in-progress	7,54,45,570	15,71,16,243
Stock-in-trade	38,17,044	-
<b>Total</b>	<b>50,08,81,118</b>	<b>45,11,22,100</b>
Inventories at the beginning of the year:		
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>
Net (increase) / decrease	-4,97,59,018	-16,89,53,310
<b>26 Employee benefit expenses</b>		
Salaries and wages	26,79,01,120	24,91,02,208
Contributions to provident and other funds	2,38,40,373	1,70,86,423
Staff welfare expenses	5,18,45,507	5,21,82,080
<b>Total</b>	<b>34,35,87,000</b>	<b>31,83,70,711</b>
<b>27 Finance costs</b>		
a) Interest expense on:		
i) Borrowings	32,67,08,430	34,52,33,663
b) Other borrowing costs	1,81,08,102	2,09,91,482
c) Net (gain) / loss on foreign currency transactions (considered as finance cost)	1,72,46,708	1,23,81,536
<b>Total</b>	<b>36,20,63,239</b>	<b>37,86,06,681</b>



<b>PARTICULARS</b>	<b>Year Ended 31.3.2015 ₹</b>	<b>Year Ended 31.3.2014 ₹</b>
<b>28 Other expenses</b>		
Consumption of stores and spare parts	33,99,513	27,53,660
Manufacturing Expenses	-	80,82,903
Consumption of packing materials	8,03,24,810	7,71,66,983
Power and fuel	39,98,82,981	41,66,57,499
Water	3,46,375	8,68,223
Rent including lease rentals	1,18,34,655	71,82,132
Repairs and maintenance - Buildings	98,84,762	1,01,79,105
Repairs and maintenance - Machinery	16,99,03,628	18,62,72,752
Repairs and maintenance - Others	1,14,68,530	1,17,30,825
Insurance	1,81,29,122	1,87,22,053
Rates and taxes	48,387,136	42,978,391
Communication	42,20,214	49,39,178
Travelling and conveyance	1,61,32,674	1,81,37,330
Printing and stationery	39,04,210	37,24,039
Freight and forwarding	8,79,77,311	7,44,64,713
Sales commission	7,55,79,854	7,69,64,135
Sales discount	2,51,29,113	90,56,344
Quality Claim	58,87,055	-
Hank Yarn Obligation	21,56,157	19,23,909
Business promotion	13,62,684	8,80,500
Donations and contributions	77,584	13,22,022
Legal and professional	77,67,056	80,54,119
Payments to auditors (Refer Note (i) below)	19,19,206	14,37,144
Corporate Social Responsibility	9,19,848	-
Bad trade and other receivables, loans and advances written off	1,46,086	3,69,389
Loss on fixed assets sold / scrapped / written off	-	42,49,867
Miscellaneous expenses	27,74,963	32,23,979
<b>Total</b>	<b>98,95,15,526</b>	<b>99,13,41,195</b>
I) Payments to the auditors comprises (net of service tax input credit, where applicable) :		
As Auditors - Statutory Audit	7,75,000	6,75,000
For Taxation Matters	1,75,000	1,75,000
For Company Law Matters	-	-
For Other Services - Certification	9,69,206	5,87,144
Reimbursement of expenses	-	-
<b>Total</b>	<b>19,19,206</b>	<b>14,37,144</b>





PARTICULARS	Year Ended 31.3.2015 ₹	Year Ended 31.3.2014 ₹
<b>29 Exceptional items</b>		
Profit on sale of fixed assets	1,13,02,589	-
<b>Total</b>	<b>1,13,02,589</b>	<b>-</b>

30. 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 31.03.2015 is ₹ 1538.69 Lakhs. (31.03.2014 - ₹ 5419.05 Lakhs).
  - b. The Sales Tax Department has demanded the Central Sales Tax amounting to ₹ 134.15 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.
  - c. The Income Tax Department has demanded ₹ 11,420/- on account of income tax assessment for the financial year 2010 - 11. The Company has appealed the matter with ITAT, Chennai and Commissioner of Income Tax (Appeals), Coimbatore.
  - d. The Central Excise Department has demanded the excise duty amounting to ₹ 69.61 Lakhs on account of rebate claim on export of cotton yarn for the period from Dec'2008 to July'2009. The Company has appealed the matter with CESTAT, Chennai and obtained an interim stay for payment of duty.
  - e. The Central Excise Department has demanded the excise duty amounting to ₹ 46.84 Lakhs for sale of old machinery during the period Sep'2010 to Oct'2011. The Company has appealed the matter with Joint Commissioner of Central Excise, Madurai.
  - f. The Central Excise Department has demanded duty amounting to Rs.0.38 Lakhs for import of spares during the period Oct'2011 to Oct'2012. The Company has appealed the matter with Assistant Commissioner of Central Excise, Dindigul.
  - g. The Central Excise Department has demanded service tax amounting to Rs. 3.20 Lakhs on account of input service tax credit for the period Apr'2011 to Oct'2011. The Company has appealed the matter with CESTAT, Chennai.
31. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to Rs.5189.20 Lakhs (31.03.2014 - Rs. 9375 Lakhs) approximately.
32. The funds raised by way of Public Issue have been fully utilized for the purposes for which it was raised.
33. 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.
34. No Amount is due for credit to Investor Education and Protection Fund.


**35. Details of Foreign currency Exposures**

<b>Particulars</b>	<b>Outstanding foreign currency exposures as at 31.3.2015</b>	<b>Covered by forward contracts</b>	<b>Exposures not covered by forward contracts</b>
Cotton Import	\$69,94,464 (\$27,58,555)	\$15,60,000 (\$ 23,53,994)	\$ 54,34,464 (\$4,04,561)
Machinery import	€14,28,497 (€11,79,792)	€ 14,28,497 (€11,79,792)	NIL (NIL)
Machinery Import	\$6,47,795 (\$7,34,724 )	\$6,47,795 (\$7,34,724 )	NIL (NIL)
Machinery import	CHF 5,27,000 (NIL)	CHF 5,27,000 (NIL)	NIL (NIL)
Machinery import	JPY 135,27,960 (NIL)	JPY 135,27,960 (NIL)	NIL (NIL)
Foreign Currency Loan	\$11,00,837 (\$20,50,837)	NIL (\$20,50,837)	\$11,00,837 (NIL)
Export sales	\$ 31,89,310 (\$31,44,496)	NIL (NIL)	\$ 31,89,310 (\$31,44,496)
Export Sales	€ 15,98,253 (€ 6,73,042)	NIL (NIL)	€ 15,98,253 (€ 6,73,042)
Export sales	GBP 58,230 (GBP 86,156)	NIL (NIL)	GBP 58,230 (GBP 86,156)

(\$ - US Dollar, € - Euro, GBP- Great Britain Pounds, CHF - Swiss Franc, JPY - Japan Yen).

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

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

<b>Particulars</b>	<b>FY 2014-15</b>	<b>FY 2013-14</b>
Raw Materials	30,01,09,824	23,37,71,427
Capital Goods & Spares	20,76,19,206	12,34,69,195



## 37. EXPENDITURE IN FOREIGN CURRENCY (in Rupees)

Nature of Expenses	FY 2014-15	FY 2013-14
Royalty, Know how, Professional/ Consultation Fees/Commission	1,53,92,002	1,71,25,421
Interest & Others	83,46,493	1,10,36,254
Traveling Expenses	48,04,649	45,14,919

Amount Remitted in Foreign currency (in Rupees)	FY 2014-15	FY 2013-14
Amount remitted on account of Dividend	1,17,110	1,80,278
No. of Non-resident Shareholders	52	56
No. of shares held by them	85,555	90,139
Year to which the dividend related	2013-14	2012-13

## 38. EARNINGS IN FOREIGN EXCHANGE (in Rupees)

Particulars	FY 2014-15	FY 2013-14
Export of goods on FOB Basis	2,99,73,85,771	2,91,14,28,564

## 39. VALUE OF IMPORTED/INDIGENOUS MATERIALS CONSUMED

Particulars	FY 2014-15		FY 2013-14	
Raw Material	Value (₹)	%	Value (₹)	%
Cotton-Imported	30,44,86,328	8.54	23,86,90,006	6.51
Cotton-Indigenous	326,05,31,097	91.46	342,64,12,586	93.49
Yarn - Indigenous	82,03,84,716	100.00	63,71,30,039	100.00
Nylon Tow - Indigenous	-	-	10,04,258	100.00
Fabric - Imported	1,24,66,667	12.71	-	-
Fabric - Indigenous	8,55,85,795	87.29	1,72,52,064	100.00
Chemical - Indigenous	24,60,440	100.00	2,73,70,294	100.00
Trims - Imported	31,72,296	9.17	40,30,284	11.18
Trims - Indigenous	3,14,17,920	90.83	3,20,26,147	88.82
Stores & Spares				
Imported	4,01,91,424	12.62	4,37,50,507	11.74
Indigenous	27,82,79,251	87.38	32,88,28,035	88.26



#### 40. Details of Government Grants

Details	FY 2014-15	FY 2013-14
Interest subsidy under TUF Scheme (netted off with interest expenses)	7,72,34,514	8,34,72,376
Duty drawback and Other Export Incentives (recognized under Other operating revenues)	12,42,36,641	11,72,54,065
Capital Subsidy Received for setting up of manufacturing facility	1,50,00,000	Nil
Electricity Tax Concession for setting up of manufacturing facility	1,73,97,185	Nil

41. 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 2014-15 (₹)	FY 2013-14 (₹)
Provident Fund	51,88,153	59,84,871
Family Pension Fund	1,03,79,241	58,21,748
Employees State Insurance	40,58,358	31,57,618
<b>Defined Benefit Plan - Gratuity</b>		
<b>A Change in Defined Benefit Obligation</b>		
Present Value - Opening Balance	1,77,42,360	1,46,15,996
Current service cost	19,74,704	10,95,423
Interest Cost	13,51,574	-
Acturial (Gain)/Loss	9,35,241	60,31,914
Benefits paid	(7,39,898)	(40,00,973)
Present Value - Closing balance	2,12,63,981	1,77,42,360
<b>B Change in Fair Value of Plan Assets</b>		
Opening Balance	2,28,22,535	1,87,83,780
Expected Return	19,48,698	-
Acturial gain/(loss)	(12,743)	40,38,755



Contributions by employer	38,37,734	40,00,973
Benefits paid	(7,39,898)	(40,00,973)
Closing Balance	2,78,56,326	2,28,22,535
Actual Return	19,35,955	40,38,755
<b>c Net Asset/(Liability) Recognised in the Balance Sheet (as at year end)</b>		
Present value of obligations	2,12,63,981	1,77,42,360
Fair value of plan assets	2,78,56,326	2,28,22,535
Net asset/(Liability) recognized	65,92,345	50,80,175
<b>D Expenses recognised in the profit and loss statement</b>		
Current service cost	19,74,704	10,95,423
Interest on obligation	13,51,574	-
Expected return on plan assets	(19,48,698)	-
Net Acturial (gain)/Loss	9,47,984	19,93,159
Total included in Employee benefit expense	23,25,564	30,88,582
<b>E Categories of Plant assets as a percentage of Total Plan assets</b>		
Equity Instruments	-	-
Debt Instruments	-	-
Property	-	-
Insurer Managed Asset	100%	100%
<b>F Principal Actuarial Assumptions</b>		
Mortality	Indian assured lives mortality (2006 -08) ultimate	
Discount rate (%)	7.78%	8.00%
Future salary increase (%)	7.50%	7.50%
Rate of return of plan assets(%)	8.00%	8.00%



42. Details of borrowing cost capitalized during the year under fixed assets – ₹ 312.09 Lakhs (31.03.2014- ₹ 150.57 Lakhs).

43. 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 31.3.2015
Purchase of Yarn	₹ 11,25,52,075	(₹ 3,84,46,698)	₹ 2,73,21,984/- (₹ 79,43,990/-)
Sale of Yarn	₹ 30,20,533	(₹ 11,11,545)	
Sale of Fabric	₹ 9,34,11,912	(₹ 10,68,25,441)	
Conversion Charges Received	₹ 2,36,20,965	(₹ 2,76,34,291)	
Conversion Charges Paid	₹ 2,413	(₹ 2,36,81,526)	
Rent Paid	₹ 3,59,664	(₹ 3,02,060)	
Purchase of Cotton	₹ NIL	(₹ 2,22,44,906)	
Sale of Stores	₹ NIL	(₹ 6,43,857)	



## II. Related Party Transactions : Contd.....

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.3.2015
Sale of Garment	₹ NIL	(₹ 20,918)	
Lease Rent Received	₹ 1,20,00,000	(₹ 70,00,000)	
Lease Rent Paid	₹ 63,44,160	(₹ 47,00,760)	
Vehicle Maintenance Expenses	₹ 1,99,730	(₹ NIL)	
Purchase of Fabric	₹ 1,69,320	(₹ 5,16,457)	
Processing Charges received	₹ 6,55,608	(₹ NIL)	
Processing Charges paid	₹ 2,675	(₹ NIL)	
Remuneration of KMP	₹ 91,59,457	(₹ 1,87,95,745)	
Remuneration of Relatives of KMP	₹ 30,00,000	(₹ 30,00,000)	

## 44. Basic and Diluted Earnings per Share :

Details	FY 2014-15	FY 2013-14
Profit/(Loss) for the year attributable to Equity Share holders (₹)	12,82,63,775	31,56,80,686
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	8.14	20.04
Nominal Value of Share (₹)	10.00	10.00





Basic and Diluted Earnings per Share – Excluding Extraordinary Items:

Details	FY 2014-15	FY 2013-14
Profit for the year attributable to Equity Share holders (₹)	12,82,63,775	31,56,80,686
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	12,82,63,775	31,56,80,686
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	8.14	20.04
Nominal Value of Share (₹)	10.00	10.00

45. The net deferred tax liabilities as at 31.03.2015 comprise the following as per the Accounting Standard 22.

Particulars	As at 31.3.2015	As at 31.3.2014
Deferred Tax Liability on A/c of Depreciation	79,05,38,780	77,00,29,544
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation.	5,84,78,395	10,11,43,854
Net Deferred Tax Liability	73,20,60,385	66,88,85,690

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.

46. Disclosures regarding interest in Joint Venture - The Company has invested ₹ 2301.04 Lakhs (₹ 1991.71 Lakhs) in the equity shares of Young Brand Apparel Private Limited (A Joint venture of the Company) as on 31.03.2015. The company does not have any further capital commitment towards purchase of shares of the Joint venture entity.



## 47. Details of interest in Joint Venture Company

(₹ in Lakhs)

Name of the Company	Country of incorporation	% of voting power held as on 31.3.2015	% of voting power held as on 31.3.2014
Young Brand Apparel Private Limited	India	33.33	33.33

The Proportionate interest of the Company in the Joint Venture entity as on 31.03.2014 is as under:

(₹ in Lakhs)

Financial Year Ended	Assets	Liabilities	Contingent Liabilities	Income	Expenditure
31.3.2014	2969.00	2580.04	640.00	4526.33	4434.18

48. As a part of its initiative under the "Corporate Responsibility" the Company has undertaken projects in the area of rural development and promoting Health Care. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company CSR Policy. The following activities listed below :

(₹ in Lakhs)

S No	Corporate Social Responsibility	Amount
1	Supporting of handicapped children	1.00
2	Hope After Fire (Treatment for physical deformities and disabilities for children and women suffer from burn injuries)	3.00
3	Construction of building for Anganwadi at Dindigul District, Tamil Nadu.	5.20
	<b>Total</b>	<b>9.20</b>

Vide our report annexed

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

**P R VITTEL**

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 0033285

Coimbatore  
30<sup>th</sup> May, 2015

**S V ARUMUGAM**  
Chairman & Managing Director

**K SADHASIVAM**  
Director

**N KRISHNARAJ**  
Company Secretary

**C S BALAKUMAR**  
Chief Financial Officer


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2015**
**(₹ in Lakhs)**

	<b>31.3.2015</b>	<b>31.3.2014</b>
<b>I CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation & Extraordinary items	1,914.38	4,604.96
Adjustments for :		
Depreciation	2,666.24	3,500.16
Interest income	(81.23)	(51.74)
Dividend income	(0.00)	(0.00)
Finance costs	3,620.63	3,786.07
Foreign Exchange Fluctuation	121.23	148.36
(Profit) / Loss on sale of asset	-	42.40
	<b>6,326.87</b>	<b>7,425.25</b>
Operating profit before working capital changes	8,241.26	12,030.21
Debtors	(677.42)	(2,257.45)
Inventories	2,989.59	(9,250.19)
Other Current Assets	(791.45)	(189.58)
Current Liabilities	2,065.40	857.66
	<b>3,586.13</b>	<b>(10,839.56)</b>
Cash generation from operations	11,827.38	1,190.65
Add: Income Taxes (paid)/refund	(529.93)	(773.73)
<b>Net cash from operations</b>	<b>11,297.46</b>	<b>416.92</b>
<b>II CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(7,384.52)	(2,862.26)
Proceeds from sale of assets	132.46	25.20
Interest income	81.23	51.74
Dividend income	-	-
Purchase of Investments	(300.07)	(124.52)
	<b>(7,470.90)</b>	<b>(2,909.84)</b>



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

**(₹ in Lakhs)**

	<b>31.3.2015</b>	<b>31.3.2014</b>
<b>III CASH FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in short term borrowing	(535.04)	11,185.61
Decrease in Long Term Borrowings	(25.70)	(4,646.90)
Interest paid	(3,620.63)	(3,786.07)
Dividend Paid	(368.63)	(368.63)
	<b>(4,550.01)</b>	<b>2,384.01</b>
Net (decrease)/increase in cash and cash equivalents	(723.45)	(108.91)
Opening cash and bank balances	2,080.97	2,189.88
Closing cash and bank balances	1,357.52	2,080.97
Net (decrease)/increase in cash and cash equivalents	(723.45)	(108.91)

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

**P R VITTEL**  
Partner  
Membership No. 200/18111  
ICAI Firm Regn. No: 003328S  
Coimbatore  
30<sup>th</sup> May, 2015

**S V ARUMUGAM**  
Chairman & Managing Director

**N KRISHNARAJ**  
Company Secretary

**K SADHASIVAM**  
Director

**C S BALAKUMAR**  
Chief Financial Officer


**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
2014-2015	1575.43	23764.29	68539.95	4580.63	2666.24	1914.38	15

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

\* Excludes interdivision transfers



## Notes



**UNIT LOCATIONS :**

Spinning Units	
NaduKandanur Pirivu, Morepatty Post Vadamadurai, Dindigul 624 802. Tamilnadu	Velvarkottai, Dindigul Trichy National Highway 45, Vendasandur Taluk, Dindigul 624 803. Tamilnadu
Weaving Unit	Technical Textile Unit
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Kovai – Sathy Main Road, Kunnathur Village Ganesapuram Post, S S Kulam (Via) Coimbatore - 641 107
Processing Unit	Garments Unit
Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052	Palladam Hitech Weaving Park Sukkampalayam Village K N Puram (Po) Palladam- 641 662
Windmill Units	
Irukandurai & Dhanakarkulam Villages Radhapuram Taluk Tirunelveli District, Tamilnadu	Chinnapudur Village Dharapuram Taluk Erode District, Tamilnadu
Melkaraipatti & Kottathurai Villages Palani Taluk Dindigul District Tamilnadu	Virugalpatti & Iluppanagaram Village Udumelpet Taluk Tirupur District Tamilnadu

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



# BANNARI AMMAN SPINNING MILLS LTD

Registered office: 252, Mettupalayam Road, Coimbatore – 641 043  
Phone No: 0422-2435555 Fax No. 0422-4383325  
Website: www.bannarimills.com, email id: shares@bannarimills.com  
CIN: L17111TZ1989PLC002476

## 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]

Name & Address of  
the member(s):

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the company, to be held on Monday, the 28<sup>th</sup> September, 2015 at 9.15 a.m. at "Nani Kalaiararam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

✂ Cut here ----- P.T.O.

### Electronic Voting Particulars

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

EVS (Electronic Voting Sequence Number)	* Default PAN / Sequence No
150814007	

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

✂ Cut here -----



## BANNARI AMMAN SPINNING MILLS LTD

Regtd. office: 252, Mettupalayam Road, Coimbatore – 641 043  
Phone No: 0422-2435555 Fax No. 0422-4383325  
Website: www.bannarimills.com, email id: shares@bannarimills.com  
CIN: L17111TZ1989PLC002476

Folio No. / Demat ID :  
Name of the Member :  
Name of the Proxy :

No. of  
shares held :

### ATTENDANCE SLIP

#### Attendance by

- ☐ Member  
☐ Proxy  
☐ Authorised  
☐ Representative

Please ✓ the  
appropriate box

I hereby record my presence at 25<sup>th</sup> Annual General Meeting being held on Monday, 28<sup>th</sup> September, 2015 at "Nani Kalaiararam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037, Tamilnadu

\* Strike out whichever is not applicable

Signature of Member / Proxy\*

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
	Ordinary Business			
1	Approval of Financial Statements for the year ended 31 <sup>st</sup> March, 2015, the Report of the Board of Directors and the Report of the Auditors thereon.			
2	Declaration of Dividend on equity shares			
3	Appointment of Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment			
4	Ratification of appointment of Auditors and to fix their remuneration (Firm Registration No.003328S)			
	Special Business			
5	Appointment of Smt S Sihamani (DIN 06945399) as an Independent Director			
6	Re-appointment and payment of remuneration to Sri S V Arumugam, Managing Director (DIN 00002458)			
7	Ratification of remuneration payable to Sri M Nagarajan, Cost Accountant (Firm Registration No. 102133)			
8	Deletion of Article 106.b) and Article 111 of the Articles of Association of the Company			

Signed this ..... day of ..... 2015

Signature of shareholder : .....

Signature of Proxy holder (s) : .....

**Note :**

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem applicable.

Affix ₹1/-  
Revenue  
Stamp

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