



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

BASML/SEC/441/BSE/2016-2017

28.9.2016,

BSE LIMITED /
FLOOR25,
PHIROZE JEEJEEBHAY TOWERS,
DALAL STREET
MUMBAI 400 001

Scrip Code: 532674

Sir,

Sub: Filling of Annual Report as adopted by the Shareholders at the Annual General Meeting - Regulation 34(1) – reg.


Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we file herewith soft copy of the Annual Report duly adopted by the Shareholders at the 26th Annual General Meeting held on 28.9.2016.

Please take on the record of the above.

Thanking you,

Yours faithfully,

For BANNARI AMMAN SPINNING MILLS LIMITED /


N KRISHNARAJ
COMPANY SECRETARY

Encl : as above



BANNARI AMMAN SPINNING MILLS LTD



26th
Annual Report
2016

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**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 Auditor
Coimbatore - 641 018

REGISTERED OFFICE

252, Mettupalayam Road
Coimbatore - 641 043 Tamilnadu
Ph No : 0422 - 2435555
www.bannarimills.com
CIN : L17111TZ1989PLC002476

BANKERS

The Karur Vysya Bank Limited
Corporation Bank
ICICI Bank Limited
Oriental Bank of Commerce
Indian Overseas Bank
Bank of Maharashtra
Indian Bank
Allahabad Bank
Kotak Mahindra Bank
Bank of Bahrain and Kuwait B.S.C.



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 26th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappandaickenpalayam, Coimbatore - 641037 on Wednesday, the 28th day of September, 2016 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 both Standalone and Consolidated for the financial year ended 31st March, 2016, 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, and pursuant to the resolution passed by the members at the Annual General Meeting held on 25th August, 2014, 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 26th Annual General Meeting and untill the conclusion of 27th Annual General Meeting and to audit the Accounts of the Company for the financial year ending 31.3.2017 be and is hereby ratified and that the Board of Directors be and are hereby authorised to fix their remuneration for the Financial Year 2016-17, as per 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 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 Auditor (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 31st March 2017 be and is hereby ratified and confirmed.

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore

25th May, 2016

**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 item 5 of the Agenda is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 22.9.2016 to 28.9.2016 (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 21.9.2016. 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 21.9.2016.
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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 25.9.2016 at 10.00 a.m and will end on 27.9.2016 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 25.9.2016 at 10.00 A.M. and ends on 27.9.2016 at 5.00 P.M. 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 21.9.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iv) Click on Shareholders.
- v) 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.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant BANNARI AMMAN SPINNING MILLS LIMITED on which you choose to vote.
- xiii. 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.
- xiv. Click on "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

12. 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 thro 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.
14. The Route Map to the Venue of the Annual General Meeting is attached to the Proxy Form / Attendance Slip.

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

ITEM 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2017.

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 31st March 2017, as set out in the resolution.

Necessary Ordinary resolution 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, financially or otherwise, in the resolution set out in Item No. 5.

Coimbatore

25th May, 2016

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

**ANNEXURE TO THE NOTICE****RE-APPOINTMENT OF DIRECTOR**

A brief resume in respect of Director seeking reappointment is given below in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Name	: Sri S V Arumugam DIN 00002458
Age	: 67 years
Qualification	: B.Sc., ACA
Date of Appointment	: 27.5.2005
Experience	: He has more than 31 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 STYL Textile Ventures 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

Relationship with other Directors : No

Coimbatore
25th May, 2016

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report together with audited accounts of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS :

(₹ in Lakhs)

	2015-2016	2014-2015
Profit before Depreciation	5653.56	4580.63
Less : Depreciation	2880.71	2666.24
Less : Taxes	917.81	631.75
Less : Extra Ordinary Item (Net of Tax Expenses)	-	-
Profit after Tax	1855.03	1282.64
Surplus brought forward from last year	1538.31	1540.09
Amount available for appropriation	3393.34	2822.73
Appropriations:		
Provision for Equity Dividend	252.07	236.31
Provision for Tax on Dividend	51.31	48.11
Transfer to General Reserve	1000.00	1000.00
Surplus carried over to Balance Sheet	2089.95	1538.31
Total	3393.34	2822.73

DIVIDEND

Your Directors are glad to recommend payment of dividend of ₹ 1.60/- per equity share of ₹ 10/- each to the equity shareholders (@ 16% of the paid up capital).

REVIEW OF OPERATIONS

There is no change in the nature of business of the Company. The overall turnover of the Company has increased by 13.22% in turnover as compared to the previous year, mainly due to higher takeoff of finished goods in the market.

Spinning Division

During the year under review, the Spinning Mills produced 27108.36 tonnes (22054.34 tonnes) inclusive of purchased quantity 2570.55 tonnes (885.25 tonnes) of Yarn and sold 25144.14 tonnes (20818.38 tonnes) of Yarn.



The sales include 12080.68 tonnes (11195.79 tonnes) by way of Export. The total yarn sales of this division amounted to ₹ 50170.72 Lakhs (₹ 48931.22 Lakhs) of which export sales amounted to ₹ 23975.03 Lakhs (₹ 25398.85 Lakhs) constituting 47.79% (51.91%) of the total yarn sales.

Weaving Division

The Weaving Division specializes in manufacturing wider-width cotton fabric. During the year under review, 88.09 Lakh metres (96.40 Lakh Metres) of Fabric were produced and 91.20 Lakh Metres (88.85 Lakh Metres) of Fabric were sold.

Knitting Division

During the year under review, 5165.75 tonnes (3176.25 tonnes) of Knitted fabric were produced and 5092.95 tonnes (3224.01) tonnes were sold. The total sales of this division amounts to ₹10580.38 Lakhs (₹ 7367.93Lakhs) of which export sales amounted to ₹ 2845.66 Lakhs (₹ 1370.13 Lakhs).

Processing and Technical Textiles Division

During the year under review, 1655.67 tonnes (768.54 tonnes) of fabrics were processed and the total processing charges of this division amounts to ₹ 1393.58 Lakhs (₹ 614.62 Lakhs) and 756.39 tonnes (Nil) of fabrics were produced and 776.21 tonnes (Nil) of fabrics were sold. The total fabric sales of this division amounts to ₹ 3034.86Lakhs (Nil).

Garment Division

During the year under review, 12.86 Lakhs (9.10 Lakhs) pieces of Garments were produced and sold 10.19 Lakhs (8.68 Lakhs) pieces. The total sales of this division amounts to ₹ 3303.77 Lakhs (₹ 3572.56 Lakhs) of which export sales amounted to ₹ 3303.77 Lakhs (₹ 3533.38 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 Units and Weaving Unit.

The windmills produced 343.38 Lakh units of power as against 449.40 Lakh units produced in the last year.

PROSPECTS FOR THE CURRENT YEAR

During the current year, a new Garments project near Palladam, Tirupur District, Tamilnadu has become operational. The results of the same are expected to be reflected in the current Financial Year.

Further with the promised evacuation of wind energy by TANGEDCO to the maximum possible extent, wind energy contribution will increase significantly.

Considering the above the overall performance of the 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance, Management Discussion and Analysis alongwith a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on Financial Year Ended on 31st March, 2016, 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

During the period under review there were no change in the Board of Directors.

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.

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.

KEY MANAGERIAL PERSONNEL

The Company has appointed the following persons as Key Managerial Personnel :

Name of the persons	Designation
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 SK Prabhu - Chairman (Non- Executive Independent Director)
2. Sri K NV 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 Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

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.

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 2016 - 2017 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.

JOINT VENTURE AND ASSOCIATE

We have one Joint Venture Company and one Associate Company as on 31st March, 2016. In accordance with the Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company has been prepared which forms part of the Annual Report. A separate statement containing the salient features of the Financial Statements of the Joint Venture/Associate in Form AOC-1 (Part - B) is furnished :



AOC - 1

Part "B" - Associate and Joint Venture

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Particulars	Associate	Joint Venture
1. Name	Accel Apparels Private Limited	Young Brand Apparel Private Limited
2. Latest Audited Balance Sheet date	31.3.2016	31.3.2016
3. Shares of Associate/Joint Venture held by the Company on the year end No. of Shares	5,000	2,17,20,202
Amount of Investment in Associates/Joint Venture	50,000	23,01,04,490
Extend of Holding %	50%	33.33%
4. Description of how there is significant influence	More than 20% of voting rights	Jointly controlled Entity
5. Reason why the Associate/Joint Venture is not consolidated	Not Applicable	Not Applicable
6. Networth attributable to shareholding as per latest Audited Balance Sheet	50,000	12,50,46,445
7. Profit/Loss for the year	-	2,96,29,489
i. Considered in consolidation	-	98,76,496
ii. Not considered in consolidation	-	1,97,52,993

- Names of associates or joint ventures which are yet to commence operations : Accel Apparels Private Limited
- Names of associates or joint ventures which have been liquidated or sold during the year : Nil
- The Company does not have any Subsidiary Companies. Hence no reporting of the same in AOC-1 (Part - A) is made.



In accordance with the Section 136 of the Companies Act, 2013, the audited Financial Statements of the Company is available on our Website 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 and Managing Director.

The Company has Independent Internal Auditor and 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 Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 :

1. Sri S V Arumugam - Managing Director
2. Sri S Palaniswami - Independent Director
3. 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 31st March 2016 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 31st March, 2016 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 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
25th May, 2016

By Order of the Board
S V ARUMUGAM
Chairman & Managing Director
DIN 00002458


ANNEXURE I
Form No. MGT - 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17111TZ1989PLC002476
- ii) Registration Date : 10th 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)

Sl 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	12.62
2	Knitted Fabrics	2601	22.37
3	Cotton Yarn	2351	52.86

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Young Brand Apparel Private Limited Kattuputhur Village Ozhaiyur Post, Uthiramerur Tk, Kanchipuram - 603107	U18101TN2006PTC081600	Associate Company (Joint Venture)	33.33%	2 (6)
2	Accel Apparels Private Limited 252, Mettupalayam Road, Coimbatore - 641 043	U17100TZ2014PTC020825	Associate Company	50%	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 1-4-2015)				No. of shares held at the end of the year (As on 31-3-2016)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
1)	Indian									
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
	Sub-total (A) (1) :-	8751250	0	8751250	55.55	8751250	0	8751250	55.55	0
2)	Foreign									
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
	Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A)(1) + (A) (2)	8751250	0	8751250	55.55	8751250	0	8751250	55.55	0
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	914	0	914	0.01	0	0	0	0	(0.01)
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
	Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(1):-	914	0	914	0.01	0	0	0	0	(0.01)
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	2490071	1	2490072	15.81	2693152	1	2693153	17.09	1.28
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1207149	5	1207154	7.66	1100557	5	1100562	6.99	(0.67)
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3022265	0	3022265	19.18	2755646	0	2755646	17.49	(1.69)
c)	Others (specify)									
	Non Resident Indians	91601	0	91601	0.59	92572	0	92572	0.59	0
	HUF	0	0	0	0	304366	0	304366	1.93	1.93
	Clearing Members	191013	0	191013	1.21	55504	0	55504	0.35	(0.86)
	Unclaimed Shares	0	0	0	0	1216	0	1216	0.01	0.01
	Sub-total (B)(2):-	7002099	6	7002105	44.45	7003013	6	7003019	44.45	0
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	7003013	6	7003019	44.45	7003013	6	7003019	44.45	0
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	15754263	6	15754269	100	15754263	6	15754269	100	0


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
	Total	8751250	55.55	0	8751250	55.55	0	0

iii) Change in Promoters' Shareholding (please specify, if there is 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	8751250	55.55	8751250	55.55
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.)	No Change			
3	At the end of the year	8751250	55.55	8751250	55.55

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 (as on 1.4.2015)		Cumulative shareholding during the year (as on 31.3.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gagandeep Credit Capital Pvt Ltd	987475	6.27	987475	6.27
2	Anuj Anantrai Sheth	734805	4.66	734805	4.66
3	Prescient Securities Private Limited	565986	3.59	565986	3.59
4	Amrit Petroleums Pvt Limited	25000	0.16	450000	2.86
5	India Infoline Limited	239526	1.52	264622	1.68
6	Nilesh Kishor Shah	260000	1.65	260000	1.65
7	Hiten Anantrai Sheth	200000	1.27	200000	1.27



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
8	Mukesh C Patani	150000	0.95	150000	0.95
9	Mukesh Chimanlal Patani	150000	0.95	150000	0.95
10	Purnima Mukesh Patani	150000	0.95	150000	0.95
11	Sudarshan Securities Private Limited	425000	2.70	0	0.00

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
1	Sri S V Arumugam				
	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
2	Sri K N V Ramani				
	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
3	Sri C SK Prabhu 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	- - -	- - -	- - -	- - -
4	Dr K R Thillainathan 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	- - -	- - -	- - -	- - -
5	Sri S Palaniswami 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	172 - 172	0.00 - 0.00	172 - 172	0.00 - 0.00
6	Sri K Sadhasivam 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
7	Smt S Sihamani				
	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	-	-	-	-
8	Sri CS Balakumar				
	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	-	-	-	-
9	Sri N Krishnaraj				
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	42281.28	1948.91	-	44230.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	105.60	-	-	105.60
Total (i+ii+iii)	42386.88	1948.91	-	44335.79
Change in Indebtedness during the financial year				
Addition	8479.71	106.96	-	8586.67
Reduction	(3091.85)	(1965.81)	-	(5057.66)
Net Change	5387.86	(1858.85)	-	3529.01
Indebtedness at the end of the financial year				
i) Principal Amount	47649.46	90.06	-	47739.52
ii) Interest due but not paid	215.37	-	-	215.37
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	47774.74	90.06	-	47954.89

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	54,00,000	54,00,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,15,543	3,15,543
	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	1,75,00,000	1,75,00,000
	- others, specify...	0	0
5	Others, please specify	0	0
	Total (A)	2,32,15,543	2,32,15,543
	Ceiling as per the Act	2,77,28,462	2,77,28,462



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	35,000	45,000	25,000	25,000	25,000	2,00,000
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	45,000	35,000	45,000	25,000	25,000	25,000	2,00,000
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending Board / Committee Meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	45,000	35,000	45,000	25,000	25,000	25,000	2,00,000
	Total Managerial Remuneration	-	-	-	-	-	-	-
	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	9,17,864	11,06,236	20,24,100
	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
	Total	9,17,864	11,06,236	20,24,100



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Coimbatore
25th May, 2016

By Order of the Board
S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

**ANNEXURE II****FORM NO.MR-3****SECRETARIAL AUDIT REPORT****(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016)**

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

To
The Members
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 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

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 31st March 2016 ('Audit Period') according to the provisions of :

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;
- 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, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 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 (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; (Not applicable to the company during the Audit Period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ; (Not applicable to the company during the Audit Period)
 - 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. The following other laws specifically applicable to the company :
 - a. Additional Duties of Excise (Textiles and Textile Articles) Act, 1978
 - b. Textile Committee Act, 1963
 - c. Textiles (Development and Regulation) order, 2001
 - d. Textiles (Consumer Protection) Regulation, 1985

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and made effective from 1st July, 2015.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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 atleast 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
25th May, 2016

R DHANASEKARAN
Company Secretary in Practice
FCS 7070/CP 7745



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:

- ✓ To construct four Anganwadies (pre-schools) in Dindigul area along with Tamilnadu Government as part of SSL(Self Sufficiency Scheme). Three buildings were completed in Financial Year 2014-15 and one building was completed in Financial Year 2015-16.

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: www.bannarimills.com

2. Composition of CSR Committee

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

Sri S 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 : ₹ 23,90,41,899/-
4. Prescribed CSR expenditure : ₹ 47,80,838/-
(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 : ₹ 47,80,838/-
- b) Amount unspent, if any : ₹ 44,64,449/-
- 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	Dindigul Dt	25,20,000	3,16,389	3,16,389	Tamilnadu Govt

Reason for not spending:

Some of the projects which were to be executed with the participation 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

25th May, 2016

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458



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 31st March, 2016 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) Carding VXL filter suction optimised and pipe line leakage arrested to reduce the power consumption.
- ii) Spinning Humudification Plant fan blade angle and RH% optimised.
- iii) Dust collector fan stopped in autoconer machines.
- iv) 4KW Condensor motor stopped in blow room line.
- v) 4KW Ventilator fan motor stopped in blow room line.
- vi) Automatic RH% Control system provided in Spinning and autoconer humudification plants.

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

During the year under review the Company utilised wind power of 343.38 Lakhs have been capitively consumed.

iii) the capital investment on energy conversation equipments;

During the year the Company has not invested any amount for energy conservation equipment.

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 ₹ 27974.56 Lakhs (previous year ₹ 29973.86 Lakhs). Foreign Exchange outgo was ₹ 9480.74 Lakhs (previous year ₹ 5362.72 Lakhs).

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore
25th May, 2016



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 2015-16

Director's Name	Ratio
Sri S V Arumugam, Managing Director	310.04 : 1

- ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial year 2015-16 compared to 2014-15.

Director's Name/CS/CFO	% increase in remuneration
Sri S V Arumugam, Managing Director	153.46
Sri N Krishnaraj, Company Secretary	12.42
Sri C S Balakumar, Chief Financial Officer	12.39

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 2015-16 13.74
- iv) Number of permanent employees on the rolls of the Company 2646
- 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 (KPM) against the Performance of the Company

KMP's remuneration 2015-16 (₹ in Lakhs)	% increase / (Decrease) in KMPs remuneration (2015-16 against 2014-15)	Sales 2015-16 (₹ in Lakhs)	% increase in sales (2015-16 against 2014-15)
252.40	130.28	77,184.53	13.22



- 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.

Particulars	As on 31.3.2015	As on 31.3.2016	Variations	%
Market Capitalization (₹ crores)	294.28	308.47	14.19	4.82
Price Earnings Ratio	22.95	16.64	-6.31	-27.49

Market quotation of the shares as on 31.3.2016 (NSE)	₹195.80/- 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	31.3.2015 - (+) 0.88 31.3.2016 - (+) 4.82

- 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 23.98%

The percentile increase granted to managerial personnel is Nil.

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

Particulars	MD	CS	CFO
Remuneration (₹ in Lakhs)	232.16	9.18	11.06
Revenue (₹ in Lakhs)	77184.53	77184.53	77184.53
Remuneration (as % of revenue)	0.30	0.01	0.01
Profit after tax (PAT)(₹ in Lakhs)	1885.03	1885.03	1885.03
Remuneration (as % of PAT)	12.51	0.49	0.60



- 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	: 67
Designation	: Managing Director
Nature of duties	: Manage the day to day affairs of the Company
Remuneration (₹ in lakhs)	: 232.16
Qualification & Experience (years)	: B.Sc., ACA More than 31 years in Textile Industry
Date of commencement of employment	: 27.5.2005
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 2016, the Company has 2646 employees.

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore

25th May, 2016



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 OF DIRECTOR	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	5	1	2
3. Sri C S K Prabhu	Non-Executive Independent	2	2	1
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	Non-Executive Independent	-	-	-

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

** Only Committees formed under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are considered.

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 the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.



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 30.5.2015, 12.8.2015, 12.11.2015 and 13.2.2016. The interval between the two Meetings was well within the maximum period prescribed under the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

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 28.9.2015:

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES / NO
1. Sri S V Arumugam (DIN 00002458)	4	Yes
2. Sri K N V Ramani (DIN 00007931)	4	Yes
3. Sri C S K Prabhu (DIN 00002913)	4	Yes
4. Dr K R Thillainathan (DIN 00009400)	4	Yes
5. Sri S Palaniswami (DIN 00007901)	3	Yes
6. Sri K Sadhasivam (DIN 00610037)	4	Yes
7. Smt S Sihamani (DIN 06945399)	3	Yes

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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is posted on the Company's website at 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 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 Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following:

- 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 29.5.2015, 8.8.2015, 7.11.2015 & 10.2.2016 and the attendance of each member is furnished below :

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

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 :

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

The Nomination and Remuneration Committee Chairman was present at the last Annual General Meeting.

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

- 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.
- Formulating the policy for determining qualification, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- 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

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 (in ₹)
Sri S V Arumugam	Managing Director	2,32,15,543/-

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 10.2.2016 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 Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has adopted a Policy for determining material subsidiary and is available on the weblink : 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

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.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2016

Name of the Director	No. of shares held
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 not received any complaints from the Investors for redressal during the year and there was no complaint was pending at the beginning of the year.

In terms of Regulation 34(3) read with Part F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange, 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	1	50
Transferred to the shareholder during the year	1	50
Balance at the end of the year	23	1216

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 Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Kalaiarangam, 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
23 rd	23.9.2013 9.15 A.M.	Nil	Not Applicable
24 th	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
25 th	28.9.2015 9.15 A.M.	i) Deletion of Article 106.b) and Article 111. of the Articles of Association of the Company.	Total Votes polled : 87,53,906 Votes polled for : 87,53,906 Votes against : Nil 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 AGM.

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 Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of Non-mandatory requirements the company has complied all the conditions except 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
- ii) The Management Discussion and Analysis forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date	: Wednesday, 28 th September, 2016
Time	: 9.15 A.M.
Venue	: Nani Kalaiarangam Mani Higher Secondary School Pappanaickenpalayam, Coimbatore 641 037

Financial Calendar

Results Announced	: 25.5.2016
Posting of Annual Report	: On or before 30 th August 2016
Last date of receipt of Proxy forms	: 26 th September, 2016
Dividend payment Date	: on or before 10 th October, 2016
Announcement of Quarterly Results	: i) During first/second week of August and November 2016. February and May 2017 or as stipulated by SEBI from time to time. ii) The financial results are displayed on the website of the Company www.bannarimills.com

Date of Book Closure for the purpose of Dividend and Annual General Meeting : 22.9.2016 to 28.9.2016
(both days inclusive)



Share Price Movement

The high and low quotations of the Company's shares on the National Stock Exchange of India Limited and BSE Limited together with Nifty and SENSEX from April 2015 to March 2016 were:

MONTH	SHARE PRICE				NSE - NIFTY		BSE - SENSEX	
	NSE (Rs. Ps.)		BSE (Rs. Ps.)					
	High	Low	High	Low	High	Low	High	Low
April 2015	230.00	167.30	230.00	179.00	8844.80	8144.75	29094.61	26897.54
May	198.45	177.00	197.70	176.20	8489.55	7997.15	28071.16	26423.99
June	199.00	161.00	194.80	166.00	8467.15	7940.30	27968.75	26307.07
July	239.00	169.50	239.00	170.60	8654.75	8315.40	28578.33	27416.39
August	248.00	172.00	244.00	175.00	8621.55	7667.25	28417.59	25298.42
September	205.50	164.15	194.90	168.00	8055.00	7539.50	26471.82	24833.54
October	204.80	181.00	205.50	180.00	8336.30	7930.65	27618.14	26168.71
November	269.00	183.25	264.40	180.00	8116.10	7714.15	26824.30	25451.42
December	265.00	224.60	264.00	224.00	7979.30	7551.05	26256.42	24867.73
January 2016	259.00	206.55	259.90	206.10	7972.55	7241.50	26197.27	23839.76
February	235.60	178.00	241.00	177.00	7600.45	6825.80	25002.32	22494.61
March	211.00	182.25	210.00	183.00	7777.60	7035.10	25479.62	23133.18

Based on the closing quotation of ₹ 195.80 as at 31.3.2016 at NSE Mumbai, the Market Capitalization of the Company was ₹ 308.46 Crores.

SHARE DETAILS

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

Exchange	Stock Code	Exchange	Stock Code
BSE Limited	532674	National Stock Exchange of India Limited	BASML
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001		"Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	



The company has paid Annual Listing Fees for the year 2016 - 2017

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
Sowripalayam Road, Coimbatore - 641 028.

Phone : (0422) 2314792, 2315792

Fax : (0422) 2314792

E-mail : coimbatore@linkintime.co.in

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

SHARE TRANSFER SYSTEM

The Share Transfers in physical form are registered and returned within 30 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 31.3.2016

Category	No. of Shares Held	Percentage of Shareholding
Promoter's Holding	87,51,250	55.55
Banks/FIs/Mutual Funds	0	0.00
Private Corporate Bodies	27,48,657	17.45
Indian Public	41,61,790	26.41
NRI/OCBs	92,572	0.59
Total	1,57,54,269	100.00



PLANT LOCATIONS :

Spinning Units	
NaduKandanur Pirivu, Morepatty Post Vadamadurai, Dindigul 624 802. Tamilnadu	Velvarkottai, Dindigul Trichy National Highway 45, Veda sandur Taluk, Dindigul 624 803. Tamilnadu
Weaving Unit	Knitting Unit
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658
Technical Textile Unit	Processing Unit
Kovai – Sathy Main Road, Kunnathur Village Ganesapuram Post, S S Kulam (Via) Coimbatore - 641 107	Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052
Garment Unit	
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 & Illuppanagaram Village Udumelpet Taluk Tirupur District Tamilnadu
Address for Correspondence	
<p>All investor related queries and complaints may be sent to the following address:</p> <p>The Company Secretary Bannari Amman Spinning Mills Limited 252, Mettupalayam Road, Coimbatore - 641 043 E-mail: shares@bannarimills.com</p>	

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore

25th May, 2016



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 Karanampet near Palladam, Tamilnadu with installed capacity of 153 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 Karanampet, Palladam Tamilnadu with installed capacity to produce 7200 tonnes of Knitted Fabrics per annum, Two Garments units located at Palladam Hi-tech Weaving Park, Palladam, Tamilnadu with a capacity to produce 60 Lakh pieces of Knitted Garments per annum and 32 Windmills with installed capacity of 29.95 MW power.

INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Textile Industry contributes about 14 percent to industrial production, 5 percent to the GDP and 11 per cent to the country's total export earnings. It provides direct employment to over 45 million people, the second largest provider of employment after agriculture. Besides, another 60 million people are engaged in its allied activities.

India has her own strengths in terms of technical manpower availability, wide fiber base and supporting government policies for modernization and also raw material cost controls. The growing population of Indian young purchasing class is making domestic market quite lucrative. India is the 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. 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 from present market size of US\$ 108 billions.

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.

The quick estimates published by the Ministry of Commerce during the month of April, 2016 showed an overall decline in exports for the 16th consecutive month. Exports of Textiles & Clothing during the fiscal year 2015- 2016 reached US\$ 35.44 billion, slightly lower than US\$ 35.96 billion during fiscal 2014-2015, declining by around (-) 1.46%. Exports of cotton textiles declined by (-) 6% due to a decline in exports of cotton yarn and fabrics. While the decline in textile exports is a cause of dismay all round, a bright spot in these gloomy times was a recent report published by the Labour Bureau stating that the maximum employment during the year 2015 was generated in the Textile & Clothing sector. This data vindicates the claim that Textile sector continues to be well poised to create mass employment in the country compared to other sectors like Auto and IT securers.



OPPORTUNITIES

The future for the Indian textile industry looks promising buoyed, by both strong domestic consumption as well as export demand. With consumerism and disposal income on the raise, the retail sector has experienced a rapid growth in the past decade. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR).

Announcements on Amended Technology Up gradation Fund Scheme (A-TUFS) with a view to motivating the make in India initiative by way of one time capital subsidy; Scheme for integrated textile parks on cluster basis; Program for integrated skill development scheme to bridge the gap of the skilled work force in textile sector announced by the Ministry of textile; would definitely boost the growth of textile sector.

The Indian textile industry has strength across the entire value chain from natural to man-made fiber to apparel to home furnishings. Taking innovative measures in partnership with the industry and learning from experience, Indian textile industry could aspire to achieve 15% to 20% growth in exports over the next decade. In the domestic market, sustaining an annual growth rate of 12% is expected.

Considering the targeted growth in exports, India should by then have a market share of 15% to 20% of the global textile and apparel trade from the present level of 5%. The proposed Goods and Services tax (GST) regime is also expected to be favourable to the textile industry on long term perspectives.

China and India have robust textile value chain, which has been the core strength and source of confidence for international buying houses. It is also a fact that Bangladesh and Vietnam are heavily investing to strengthen the textile value chain to provide comfort to the buying houses and maintain their growth for garment exports.

The textile manufacturer would be able to avail the benefits under deemed export scheme, which would make them eligible for benefits of duty-drawback scheme. It would indeed be a win-win situation for apparel and textile manufacturers, working together, contributing to employment and retaining value addition within the country. A recent study by the World Bank on Apparel employment, trade and economic development in South Asia recognizes the fact that the international buyers value full package vertical capability and thus the entire value chain. This would mean that the international buyers prefer to work with suppliers that provide full package, that is fabric manufacturing, supply chain related services in addition to assembly activities. The World Bank also acknowledges the fact that the vertical integration of textile value chain is India's strength.

SEGMENT-WISE AND PRODUCT-WISE 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.

GOVERNMENT INITIATIVES

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

The Ministry of Textiles launched Technology Mission on Technical Textiles (TMTT) with two mini-missions for a period of five years (from 2010-11 to 2011-12 in the 11th five year plan and 2012-13 to 2014-15 in 12th



five year plan) with a total fund outlay of Rs 200 crore (US\$ 30 million). The objective of TMTT is to promote technical textiles by helping to develop world class testing facilities at eight Centres of Excellence across India, promoting indigenous development of prototypes, providing support for domestic and export market development and encouraging contract research.

The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies.

SUBSIDIES ON MACHINERY AND INFRASTRUCTURE

The Revised Restructured Technology Up gradation Fund Scheme (RRTUFS) covers manufacturing of major machinery for technical textiles for 5 per cent interest reimbursement and 10 per cent capital subsidy in addition to 5 per cent interest reimbursement also provided to the specified technical textile machinery under RRTUFS.

Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the technical textile units can also avail its benefits.

The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.

Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports. The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports.

Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.

Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.

The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

Our company is expected to benefit from the government initiatives in the years to come.

OUTLOOK

China will continue to be a net importer of Cotton and Cotton Yarn, albeit in a lesser volume compared to the previous year. It is expected that the price difference between domestic yarn and imported yarn will narrow down thereby putting pressure on prices, particularly on Indian suppliers.

India has vacated the mass- market for garments (shirts, trousers) and is now largely present in the



fashion segment for value-added garments, like embroidery or in garments which need a lot of handwork, or premium garments that cost upwards of US\$ 15. The report also states that a 10% rise in apparel prices in China could help India create at least 1.2 million new jobs in the labour intensive garment sector. The Report also calls for signing of a bilateral agreement with EU at the earliest which links foreign investment from EU to duty-free exports of garments from India can increase exports to the EU by 3 to 4 times.

The New TUFS introduced by the Government of India, focuses on providing impetus to the Value added products and is expected to revive Capital investments in the textile sector.

RISKS AND CONCERNS

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is uncertain and it fluctuates depending upon Monsoon conditions. The prices of raw material also fluctuate wildly based on supply/demand in the World market, particularly Chinese 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 continues to be an area of worry and remedied.

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 to 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 2646 permanent employees and the company maintains cordial relationship with all its employees. The company has maintained excellent relationship with stakeholders and bankers.

Coimbatore
25th May, 2016

By Order of the Board
S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

**DECLARATION ON CODE OF CONDUCT**

To

The Members of
Bannari Amman Spinning Mills Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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 31.3.2016.

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore

25th May, 2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
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 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges for the period from 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

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 agreement /Listing Regulations. 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 in the above mentioned Listing Agreement/Listing Regulations.

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.

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

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

25th May, 2016



INDEPENDENT AUDITORS' REPORT

To

The Members of
Bannari Amman Spinning Mills Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of BANNARI AMMAN SPINNING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements based on our audit.

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, 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, 2016 ("the Order"), issued by the Central Government of India in exercise of the powers conferred by sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in 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 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016, from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, referred to our separate report in "**Annexure B**"; and
- g) With respect to 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 No.29 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Coimbatore
25th May, 2016

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 'A'** referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2016, 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 all fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified by the management 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.
- c. In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company the title deeds of immovable properties are held in the name of the company.
- ii. a. The inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. In our opinion and 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, Limited Liability Partnerships 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 iii(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under the section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided.
- v. The Company has not accepted any deposits from the public.
- vi. As per the information and 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 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, service tax, duty of customs, duty of excise, value added tax, cess, and any other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.



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, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, the disputed statutory dues (in case of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added taxes and cess) aggregating to ₹ 260.94 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under :

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	1.84	Assessment year 2010-11	CIT (Appeals), Coimbatore
Income Tax Act, 1961	Income Tax	0.11	Assessment year 2011-12	CIT (Appeals), Coimbatore
Income Tax Act, 1961	Income Tax	4.81	Assessment year 2013-14	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

- viii. According to the information and explanations given to us , the Company has not defaulted in repayment of dues to financial institutions, banks, and Government during the year. The company has not issued any debentures and hence there are no dues to debenture holders.
- ix. The Company has not raised any money by way of Initial Public Offer or further public offer (including Debt instruments) during the year. According to the information and explanations given to us, the term loans are applied for the purposes for which the loans were obtained.



- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under the Accounting Standard (AS 18 - Related Party Transactions).
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the Directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Coimbatore
25th May, 2016

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

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



Annexure 'B'

**Independent Auditors' Report of even date on the
Standalone Financial Statements of Bannari Amman Spinning Mills Limited**

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Act

We have audited the internal financial controls over financial reporting of Bannari Amman Spinning Mills Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of the internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risks. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error.



We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Coimbatore
25th May, 2016

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

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


STANDALONE BALANCE SHEET AS AT 31.3.2016

PARTICULARS	Note No.	As at 31.3.2016 ₹	As at 31.3.2015 ₹
I. EQUITY AND LIABILITIES :			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	2	15,75,42,690	15,75,42,690
b) Reserves and Surplus	3	2,53,15,94,131	2,37,64,29,061
2. DEFERRED INCOME PENDING APPORTIONMENT	4	84,05,334	89,30,667
3. NON-CURRENT LIABILITIES			
a) Long Term Borrowings	5	1,76,57,75,655	2,05,84,25,109
b) Deferred Tax Liabilities (Net)		82,38,41,597	73,20,60,385
c) Other Long Term Liabilities	6	25,50,815	1,21,89,101
d) Long Term Provisions		-	-
4. CURRENT LIABILITIES			
a) Short Term Borrowings	7	2,37,03,69,075	1,72,82,66,435
b) Trade Payables	8	86,18,63,329	59,46,08,596
c) Other Current Liabilities	9	73,29,63,990	70,97,43,455
d) Short Term Provisions	10	4,56,73,292	4,38,57,713
TOTAL		9,30,05,79,908	8,42,20,53,212
II. ASSETS :			
1. NON-CURRENT ASSETS			
a) Fixed Assets	11		
i) Tangible Assets		4,99,32,92,668	4,39,65,97,458
ii) Intangible Assets		-	-
iii) Capital Works in Progress		20,11,93,974	49,83,85,326
iv) Foreign Currency Monetary Items Translation Reserve A/c		-	51,24,051
b) Non Current Investments	12	27,02,25,966	26,91,28,857
c) Deferred Tax Assets		-	-
d) Long Term Loans and Advances	13	60,33,63,172	53,35,04,510
e) Other Non Current Assets	14	2,34,91,545	2,34,91,545
2. CURRENT ASSETS			
a) Inventories	15	1,96,19,55,116	1,53,45,60,583
b) Trade Receivables	16	87,91,41,936	73,99,23,233
c) Cash and Cash Equivalents	17	9,90,83,670	13,57,51,987
d) Short Term Loans and Advances	18	16,70,95,943	22,48,01,670
e) Other Current Assets	19	10,17,35,918	6,07,83,992
TOTAL		9,30,05,79,908	8,42,20,53,212

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
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

P R VITTEL
Partner
Membership No. 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore 25th May, 2016

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer


STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2016

PARTICULARS	Note No.	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
1. Revenue from operations	20	7,71,00,42,945	6,80,42,35,673
2. Other income	21	84,10,388	1,30,67,491
3. Total revenue (1+2)		7,71,84,53,333	6,81,73,03,165
4. Expenses			
(a) Cost of materials consumed	22	4,70,89,61,271	4,52,05,05,260
(b) Purchases of stock-in-trade	23	52,95,03,443	20,46,31,112
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(4,67,60,881)	(4,97,59,018)
(d) Employee benefits expenses	25	44,83,98,187	34,35,87,000
(e) Finance costs	26	36,33,09,899	36,20,63,239
(f) Depreciation and amortisation expenses		28,80,71,204	26,66,24,168
(g) Other expenses	27	1,14,96,85,580	98,95,15,522
Total expenses		7,44,11,68,703	6,63,71,67,283
5. Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		27,72,84,630	18,01,35,881
6. Exceptional Items	28	-	1,13,02,589
7. Profit / (Loss) before extraordinary items and tax (5+6)		27,72,84,630	19,14,38,470
8. Less : Exceptional Items		-	-
9. Profit / (Loss) before tax (7 + 8)		27,72,84,630	19,14,38,470
10. Tax expense :			
(a) Current tax expense for current year		5,54,78,393	3,60,41,108
(b) (Less): MAT credit (where applicable)		(5,54,78,393)	(3,60,41,108)
(c) Current tax expense relating to prior year		-	-
(d) Net Current tax expense		-	-
(e) Deferred tax		9,17,81,212	6,31,74,695
11. Profit / (Loss) for the year (9 + 10)		18,55,03,418	12,82,63,775
Earnings per share (of ₹ 10/- each):			
(a) Basic (i) Continuing operations		11.77	8.14
(ii) Total operations		11.77	8.14
(b) Diluted (i) Continuing operations		11.77	8.14
(ii) Total operations		11.77	8.14
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
(a) Basic (i) Continuing operations		11.77	8.14
(ii) Total operations		11.77	8.14
(b) Diluted (i) Continuing operations		11.77	8.14
(ii) Total operations		11.77	8.14
Significant Accounting Policies	1		

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
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

P R VITTEL
Partner
Membership No. 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore 25th May, 2016

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer


STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2016
(₹ in Lakhs)

	31.3.2016	31.3.2015
I CASH FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary items	27,72,84,630	19,14,38,470
Adjustments for :		
Depreciation	28,80,71,204	26,66,24,168
Interest income	(75,52,469)	(81,22,417)
Dividend income	(111)	(145)
Finance costs	36,33,09,899	36,20,63,239
Foreign Exchange Fluctuation	51,24,051	1,21,22,657
	64,89,52,575	63,26,87,502
Operating profit before working capital changes	92,62,37,204	82,41,25,972
Debtors	(13,92,18,702)	(6,77,42,462)
Inventories	(42,73,94,533)	29,89,59,341
Other Current Assets	80,23,112	(7,91,44,608)
Current Liabilities	28,26,52,562	20,65,40,298
	(27,59,37,562)	35,86,12,568
Cash generation from operations	65,02,99,642	1,18,27,38,541
Add: Income Taxes (paid)/refund	(6,11,27,973)	(5,29,91,646)
Net cash from operations	58,91,71,670	1,12,97,46,895
II CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(58,81,00,395)	(73,84,51,887)
Proceeds from sale of assets	-	1,32,45,570
Interest income	75,52,469	81,22,562
Dividend income	111	-
Purchase of Investments	(10,97,109)	(3,00,06,521)
	(58,16,44,925)	(74,70,90,275)



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2016 (Contd....)

(₹ in Lakhs)

	31.3.2016	31.3.2015
III CASH FROM FINANCING ACTIVITIES		
Increase/(decrease) in short term borrowing	64,21,02,640	(5,35,04,429)
Decrease in Long Term Borrowings	(29,26,49,454)	(25,69,840)
Interest paid	(36,33,09,900)	(36,20,63,239)
Dividend Paid	(3,03,38,348)	(3,68,63,414)
	(4,41,95,062)	(45,50,00,922)
Net (decrease)/increase in cash and cash equivalents	(3,66,68,317)	(7,23,45,453)
Opening cash and bank balances	13,57,51,987	20,80,97,440
Closing cash and bank balances	9,90,83,670	13,57,51,987
Net (decrease)/increase in cash and cash equivalents	(3,66,68,317)	(7,23,45,453)

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

P R VITTEL
Partner
Membership No. 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore 25th May, 2016

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

N KRISHNARAJ
Company Secretary
ACS No. 20472

K SADHASIVAM
Director
DIN 00610037

C S BALAKUMAR
Chief Financial Officer



1. Notes to Standalone Financial Statements for the year ended 31st March 2016

NOTE - 1

Significant accounting policies

- i. The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards notified under Section 133 of the Companies Act 2013 read with rule 7 of Company (Accounts) Rules, 2014. The financial statements have been prepared on accrual and going concern basis under the historical cost convention method. The accounting policies adopted in preparation of financial statements are consistent with those followed in the previous year.

- 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. Depreciation on asset additions costing to ₹ 5,000/- or less is provided at the rate of 100% in the year of capitalization.
- 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 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 certified by a Certified Actuary.

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.

- 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 amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the profit and loss account, in the year in which as assets is identified as impaired, An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.
- 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 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. Revenues/incomes and cost/ expenditure are generally accounted on accrual basis, as they are earned or incurred. Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- xv. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential shares.
- xvi. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.
- xvii. 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.
- xviii. 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.
- xix. 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.



(₹ in Lakhs)

PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
2. Share Capital		
a. AUTHORISED		
1,60,00,000 (PY 1,60,00,000) 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
Total	16,50,00,000	16,50,00,000
ISSUED , SUBSCRIBED AND FULLY PAID UP		
1,57,54,269 (PY 1,57,54,269) Equity Shares of ₹ 10/- each	15,75,42,690	15,75,42,690
Total	15,75,42,690	15,75,42,690

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

Name of the Share holder	As at 31.3.2016		As at 31.3.2015	
	No. of shares	Amount in ₹.	No. of shares	Amount in ₹.
Equity Shares				
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/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend recommended 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 31.3.2016		As at 31.3.2015	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
Murugan Enterprise P Ltd	78,03,733	49.53	78,03,733	49.53
Gagandeep Credit Capital P Ltd	9,87,475	6.27	9,87,475	6.27



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
3. Reserves and Surplus		
a. General Reserve		
Opening balance	1,42,95,22,091	1,32,39,78,091
Add: Transferred from surplus in Statement of Profit and Loss	10,00,00,000	10,00,00,000
Add: Transferred from Capital reserve (equivalent to depreciation charged on eligible fixed assets in earlier year)	-	55,44,000
Closing balance	1,52,95,22,091	1,42,95,22,091
b. Share Premium Account	79,30,76,230	79,30,76,230
c. Surplus / (Deficit) in Profit and Loss Account		
Opening balance	15,38,30,741	15,40,09,167
Add : Profit / (Loss) for the year	18,55,03,418	12,82,63,775
Less : Dividend proposed to be distributed to equity shareholders ₹ 1.60/- (one rupee sixty paise per share) (PY 31.3.2015 - ₹ 1.50/-)	2,52,06,830	2,36,31,404
Tax on dividend	51,31,518	48,10,798
Transferred to :		
General Reserve	10,00,00,000	10,00,00,000
Closing balance	20,89,95,810	15,38,30,741
Total	2,53,15,94,131	2,37,64,29,061
4. Deferred Income pending Apportionment		
Capital Subsidy on setting up of undertaking	89,30,667	1,50,00,000
Less: Transferred to General Reserve (equivalent to depreciation charged on eligible fixed assets in earlier year)	-	55,44,000
Less: Transferred to Profit & Loss A/c proportionate to current year depreciation	5,25,333	5,25,333
Balance to be apportioned	84,05,334	89,30,667



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
5. Long Term Borrowings		
a. Term loans from Banks - Secured		
ICICI Bank	8,00,00,000	16,00,00,000
Corporation Bank	-	3,61,27,506
Bank of Maharashtra	4,68,75,000	10,93,75,000
Oriental Bank of Commerce	9,33,84,011	28,08,84,011
Indian Bank	1,12,94,67,903	89,06,83,035
Indian Overseas Bank	18,58,22,741	36,56,48,832
SIPCOT Soft Loan	22,30,64,754	20,66,97,969
b. Long-term maturities of finance lease obligations		
Secured	-	-
Unsecured	71,61,246	90,08,756
Total	1,76,57,75,655	2,05,84,25,109

Name of the Bank and Details of the loan

ICICI Bank Limited

"ICICI Bank Ltd - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 1600.00 Lakhs (31.3.2015 - 2400 Lakhs) - Current maturity for 31.3.2016 - ₹ 800 Lakhs (31.3.2015 - 800 Lakhs)"

Securities and other Terms & Conditions

"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 : 12.35% (Fixed) p.a".



"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.3.2016 ₹ 361.27 Lakhs (31.3.2015 - ₹ 761.28 Lakhs) - Current maturity for 31.3.2016 - ₹ 361.27 Lakhs (31.3.2015 - ₹ 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 : 12.15% p.a"

Bank of Maharashtra

"Bank of Maharashtra - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.3.2016 ₹ 1093.75 Lakhs (31.3.2015 - ₹ 1718.75 Lakhs) - Current maturity for 31.3.2016 - ₹ 625 Lakhs (31.3.2015 - ₹ 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 : 12.20% p.a"

Oriental Bank of Commerce

"Oriental Bank of Commerce - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.3.2016 ₹ 2808.84 Lakhs (31.3.2015 - ₹ 4683.84 Lakhs) - Current maturity for 31.3.2016 - ₹ 1875 Lakhs (31.3.2015 - ₹ 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 : 12.20% p.a"



Indian Bank

"Indian Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 745 Lakhs (31.3.2015 - ₹ 1117.50 Lakhs) - Current maturity for 31.3.2016 - ₹ 372.50 Lakhs (31.3.2015 - ₹ 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 : 12.15% p.a"

"Indian Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 2220.93 Lakhs (31.3.2015 - ₹ 2344.93 Lakhs) - Current maturity for 31.3.2016 - ₹ 188 Lakhs (31.3.2015 - ₹ 124.00 Lakhs)"

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

Repayment : 32 Quarterly instalments starting from Feb' 2014.

Rate of Interest : 11.65% p.a"

"Indian Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 9357 Lakhs (31.3.2015 - ₹ 5940.91) - Current maturity for 31.3.2016 - ₹ 467.85 Lakhs (31.3.2015 - Nil)"

"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 June 2016.

Rate of Interest : 11.65% p.a"

"Indian Overseas Bank - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.3.2016 ₹ 1837.23 Lakhs (31.3.2015 - ₹ 3087.23 Lakhs) - Current maturity for 31.3.2016 - ₹ 1250 Lakhs (31.3.2015 - ₹ 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



	<p>extending working capital facilities to the company.</p> <p>Repayment : 32 Quarterly instalments starting from October 2009.</p> <p>Rate of Interest : 12.45% p.a"</p>
<p>"Indian Overseas Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 1691 Lakhs (31.3.2015 - ₹ 2111 Lakhs) - Current maturity for 31.3.2016 - ₹ 420 Lakhs (31.3.2015 - ₹ 420 Lakhs)"</p>	<p>"Exclusive First charge on windmill unit IV & V assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur district, Tamilnadu.</p> <p>Repayment : 32 Quarterly instalments starting from June 2012.</p> <p>Rate of Interest : 12.45% p.a"</p>
<p>"Indian Overseas Bank - Foreign Currency Term Loan Outstanding as at 31.3.2016 - Nil (31.3.2015 - ₹ 698.26 Lakhs) - Current maturity for 31.3.2016 - Nil (31.3.2015 - ₹ 570 Lakhs)"</p>	<p>"Exclusive First charge on windmil unit II assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu</p> <p>Repayment :14 Half-yearly instalments starting from June 2009.</p> <p>Rate of Interest : 6.3452% p.a"</p>
<p>"SIPCOT - Soft Loan Outstanding as at 31.3.2016 - ₹ 2230.65 Lakhs (31.3.2015 - ₹ 2066.98 Lakhs)</p> <p>Current maturity for 31.3.2016 - ₹ Nil (31.3.2015 - ₹ Nil)"</p>	<p>"First charge on Fixed Assets and Second Charge on Current Assets.</p> <p>Rate of Interest : 0.10% p.a"</p>



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
6. Other Long Term Liabilities		
i) Trade / security deposits received	25,50,815	27,59,101
ii) Others (Advance received for sale of land)	-	94,30,000
Total	25,50,815	1,21,89,101
7 Short Term Borrowings		
a) Loans repayable on demand		
From banks		
Secured	2,37,03,69,075	1,53,33,75,254
Unsecured	-	19,48,91,181
Total	2,37,03,69,075	1,72,82,66,435
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 ₹ 750 Lakhs Outstanding as at 31.3.2016 ₹ 631.46 Lakhs (31.3.2015 - ₹ 1727.35 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 : 11.90%"	
Corporation Bank		
"Corporation Bank - Working Capital Limit ₹ 5250 Lakhs Outstanding as at 31.3.2016 - ₹ 2342.91 Lakhs (31.3.2015 - ₹ 2492.60 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 : 11.65% Short Term Loan : 10.90% (Fixed)".	



ICICI Bank Limited

"ICICI Bank Limited - Foreign Currency - Working Capital Limit ₹ 7500 Lakhs Outstanding as at 31.3.2016 ₹ 5145.83 Lakhs (31.3.2015 - ₹ 1336.83 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 : 2.65%

Short Term Loan - Rate of Interest : 10.60%".

Oriental Bank of Commerce

"Oriental Bank of Commerce - Working Capital Limit ₹ 6000 Lakhs (Interchangeable of Cash credit / Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2016 - ₹ 4915.42 Lakhs (31.3.2015 - ₹ 3529.28 Lakhs)"

"Security: Pari-passu 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-passu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements.

First Pari-passu Charge on Current Assets of Garment and Processing Division

Foreign Documentary Demand / Usance Bill having maximum usance of 180 days accompanied by Airway Bill / Bill of Lading evidencing shipment of Goods dealt in by the borrower and drawn under irrevocable letter of credit / Confirmed orders.

CC Rate of Interest : 12.20%

PCFC Rate of Interest : 3.86% p.a".



Indian Overseas Bank

"Indian Overseas Bank - Working Capital Limit ₹ 7500 Lakhs (Interchangable of Cash credit/WCFC/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2016 - ₹ 7487.26 Lakhs (31.3.2015 - ₹ 4262.58 Lakhs)"

"Security: Pari-passu 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-passu 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 : 12.15%

PCFC Rate of Interest : 3.86%".

Bank of Maharashtra

Bank of Maharashtra - Working Capital Limit ₹ 500 Lakhs Outstanding as at 31.3.2016 ₹ 257.61 Lakhs (31.3.2015 - ₹ 231.22 Lakhs)

Security: Pari-passu 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 : 12.20%.

Allahabad Bank

Allahabad Bank - Working Capital Limit (Interchangable of Cash credit/Packing Credit/Packing Credit in Foreign Currency

"Security: Pari-passu first charge on current assets of the Company's Spinning Unit- II along with other banks who have extended



Loan) ₹ 4800 Lakhs. Outstanding as at 31.3.2016 ₹ 1341.72 Lakhs (31.3.2015 - ₹ 1708.64 Lakhs)

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 : 12.20%

PCFC Rate of Interest : 3.86%".

Bank of Bahrain and Kuwait B.S.C.

Bank of Bahrain - Working Capital Limit ₹ 2000 Lakhs

Outstanding as at 31.3.2016 ₹ 747.90 Lakhs (31.3.2015 - Nil)

"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.

PCFC Rate of Interest : 2.40%".



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
8. Trade Payables		
Acceptances	86,18,63,329	59,46,08,596
Total	86,18,63,329	59,46,08,596
9. Other Current Liabilities		
a) Current maturities of long-term debt	63,59,62,506	64,36,50,000
b) Current maturities of finance lease obligations	18,44,933	16,86,708
c) Interest accrued and due on borrowings	2,15,36,691	1,05,59,646
d) Other payables		
i) Statutory remittances	1,13,34,949	90,74,007
"(Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) "		
ii) Payables on purchase of fixed assets	81,73,479	1,56,99,964
iii) Contractually reimbursable expenses	2,38,838	1,86,656
iv) Advances from customers	5,38,72,594	2,88,86,474
Total	73,29,63,990	70,97,43,455
10 Short Term Provisions		
a) Provision for employee benefits:		
i) Provision for bonus	1,53,34,944	1,54,15,512
ii) Provision for proposed equity dividend	2,52,06,830	2,36,31,404
iii) Provision for tax on proposed dividend	51,31,518	48,10,798
Total	4,56,73,292	4,38,57,713



NOTE NO. : 11. FIXED ASSETS												
(In Rupees)												
		GROSS BLOCK			DEPRECIATION				NET BLOCK			
S.No.	PARTICULARS	As at 1.4.2015	Addition / Disposals	Deletion	As at 31.3.2016	Upto 31.3.2015	Depreciation charge for the year	Earlier year depr. on a/c. of change in method of Depn.	On Disposals	As at 31.3.2016	As at 31.3.2015	
1	Land & Site Development	1273.63,149	3,73,00,000	-	16,46,63,149	2,40,138	2,40,138	-	-	4,80,276	16,41,82,873	12,71,23,011
2	Building											
a)	Owned	1,27,87,18,538	14,71,92,960	-	1,42,59,11,498	30,69,08,447	3,29,68,590	-	-	33,98,77,037	1,08,60,34,461	97,18,10,091
b)	Leasehold	4,65,19,045	5,76,597	-	4,70,95,642	42,88,476	15,31,597	-	-	58,20,073	4,12,75,569	4,22,30,569
3	Plant & Machinery	5,74,37,80,865	68,69,29,039	-	6,43,07,09,904	2,52,03,51,301	24,36,80,662	-	-	2,76,40,31,963	3,66,66,77,941	3,22,34,29,563
4	Office Equipment	3,47,06,251	48,31,469	-	3,95,37,720	2,07,82,961	40,85,244	-	-	2,48,68,205	1,46,69,515	1,39,23,290
5	Furniture & fitting	1,05,55,618	38,66,205	-	1,44,21,823	53,33,387	13,25,317	-	-	66,58,704	77,63,119	52,22,231
6	Vehicle	2,55,92,697	40,70,145	-	2,96,62,842	1,29,27,492	42,34,746	-	-	1,71,62,238	1,25,00,604	1,26,65,205
7	Tools & Implements	3,75,286	-	-	3,75,286	1,81,790	4,911	-	-	1,86,701	1,88,585	1,93,496
(A)		7,26,76,11,449	88,47,66,415	-	8,15,23,77,864	2,87,10,13,992	28,80,71,204	-	-	3,15,90,85,196	4,99,32,92,668	4,39,65,97,457
Capital Work In progress												
1	Buildings	4,34,05,496	5,19,56,983	4,34,05,496	5,19,56,983	-	-	-	-	-	5,19,56,983	4,34,05,496
2	Plant & Machinery	45,49,79,830	12,39,38,135	43,36,80,974	14,52,36,991	-	-	-	-	-	14,52,36,991	45,49,79,830
3	Product Development Expenses	-	40,00,000	-	40,00,000	-	-	-	-	-	40,00,000	-
(B)		49,83,85,326	17,98,95,118	47,70,86,470	20,11,93,974	-	-	-	-	-	20,11,93,974	49,83,85,326
Total for the year (A+B)		7,76,59,96,775	1,06,46,61,534	47,70,86,470	8,35,35,71,838	2,87,10,13,992	28,80,71,204	-	-	3,15,90,85,196	5,19,44,86,642	4,89,49,82,783
Previous Year		7,02,80,86,595	75,36,42,824	1,57,32,645	7,76,59,96,774	2,60,61,60,626	26,66,24,169	-	17,70,804	2,87,10,13,991	4,89,49,82,783	4,42,19,25,969



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
12. Non Current Investments		
I. NON-TRADE, QUOTED - AT COST - FULLY PAID UP		
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
Total	37,490	37,490
II. NON-TRADE, UN QUOTED - AT COST		
A. IN GOVERNMENT SECURITIES :		
Kisan Vikas Patra	3,000	3,000
B. IN EQUITY/ PREFERENCE INSTRUMENTS OF OTHER ENTITIES:		
i) *302336 (P.Y.344039) Preference shares of ₹100/- each in Anamallais Agencies P Ltd fully paid	2,39,54,557	2,72,58,686
ii) *6443 Preference shares of ₹ 100/- each in Shiva Automobiles P Ltd	5,10,479	-
iii) *1123 Preference shares of ₹ 100/- each in Kandiamman Properties and Holdings P Ltd	88,975	-
iv) *34137 Preference shares of ₹ 100/- each in Kandiamman Realtors and Developers P Ltd	27,04,675	-
v) 389200 Equity Shares of ₹ 10/- each in Cauvery Power Generation Corporation Ltd	1,12,00,000	1,12,00,000
vi) 20000 Equity Shares of ₹ 10/- each SIMA Textiles Processing Centre Limited	-	2,00,000
vii) OPG Metal Power P Ltd 15000 shares @ ₹ 10/- each	1,50,000	1,50,000
viii) Accel Apparels P Ltd - 5000 Shares @ ₹ 10/- each	50,000	50,000
ix) OPG Power Generation Pvt Ltd - 129300 Shares @ ₹ 11/- each	14,22,300	1,25,191
C. IN EQUITY INSTRUMENTS OF JOINT VENTURE :		
i) 21720202 (PY 21720202) Equity Shares face value of ₹ 10/- each in Young Brand Apparel P Ltd	23,01,04,490	23,01,04,490
Total	27,01,88,476	26,90,91,367
Aggregate cost of Quoted Investments	37,490	37,490
Aggregate market value of Quoted Investments	3,59,138	2,07,965
Aggregate cost of unquoted Investments	27,01,88,476	26,90,91,367
T O T A L (UNQUOTED & QUOTED)	27,02,25,966	26,91,28,857
* Shares Reduced / Allotted in terms of the Order of the Hon'ble High Court of Madras in C.P. Nos. 206 to 209 of 2015 dated 30.10.2015.		



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
13. Long Term Loans and Advances (Unsecured, considered good)		
a) Capital advances	4,69,11,392	3,67,68,988
b) Security deposits	1,94,96,767	5,85,56,705
c) Advance income tax (net of provisions)	60,90,584	2,71,40,769
d) MAT credit entitlement - Unsecured, considered good	48,25,81,402	39,56,78,047
e) VAT credit receivable	6,64,624	90,000
f) Other loans and advances (specify nature) - Unsecured, considered good	4,76,18,403	1,52,70,000
Total	60,33,63,172	53,35,04,510
14 Other Non Current Assets		
a) Others		
i) Receivables on sale of fixed assets	2,34,91,545	2,34,91,545
Total	2,34,91,545	2,34,91,545
15 Inventories		
a) Raw materials	1,34,09,19,059	97,63,83,945
b) Work-in-progress	13,78,49,421	7,54,45,570
c) Finished goods (other than those acquired for trading)	43,47,13,948	42,16,18,504
d) Stock-in-trade (acquired for trading)	37,39,932	38,17,044
e) Stores and spares	4,47,32,756	5,72,95,520
Total	1,96,19,55,116	1,53,45,60,583
16 Trade Receivables (Unsecured considered good)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,18,39,183	75,77,291
Other Trade receivables	86,73,02,753	73,23,45,942
Total	87,91,41,936	73,99,23,233



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
17 Cash and Cash Equivalents		
i) Cash and Cash Equivalents		
a) Cash on hand	51,14,888	15,90,405
b) Cheques, drafts on hand	2,30,00,000	1,79,00,000
ii) Balances with banks		
a) In current accounts	3,09,60,420	5,54,03,119
b) In deposit accounts	3,50,000	3,60,78,300
Balances held as margin money or security against borrowings, guarantees and other commitments	3,90,00,829	2,44,09,436
iii) Others (Stamps)	6,57,533	3,70,727
Total	9,90,83,670	13,57,51,987
18 Short Term Loans and Advances (Unsecured, considered good)		
a) Security deposits	18,48,476	1,95,42,057
b) Loans and advances to employees	22,92,670	24,31,453
c) Prepaid expenses	4,09,61,468	3,46,07,294
d) Balances with government authorities		
i) CENVAT credit receivable	4,53,32,112	65,71,001
ii) VAT credit receivable	22,82,885	26,83,910
iii) Excise Duty Rebate receivable	2,50,907	73,82,888
iv) Duty Drawback receivable	2,73,51,478	5,36,33,950
e) Others (Advance for Purchase / Advance Income Tax)	4,67,75,947	9,79,49,117
Total	16,70,95,943	22,48,01,670
19 Other Current Assets		
i) Unbilled revenue	40,17,075	45,41,825
ii) Interest accrued on deposits	-	3,600
iii) Insurance claims	-	3,96,983
iv) Others:		
TUF Subsidy Receivable	9,77,18,843	5,58,41,584
Total	10,17,35,918	6,07,83,992



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
20. Revenue from operations		
Sale of products (Refer Note (i) below)	7,40,66,40,293	6,62,83,85,986
Sale of services (Refer Note (ii) below)	14,79,45,390	4,44,34,420
Other operating revenues (Refer Note (iii) below)	15,54,57,262	13,14,15,268
Less :		
Excise duty	-	-
Total	7,71,00,42,945	6,80,42,35,673
i) Sale of products comprises:		
Manufactured goods		
Yarn	3,58,21,36,778	3,95,57,04,427
Fabric	2,70,09,49,318	1,82,09,92,774
Power	-	45,41,832
Waste Cotton	29,09,26,362	30,45,24,609
Garments	33,47,84,284	35,69,99,658
Total - Sale of manufactured goods	6,90,87,96,743	6,44,27,63,300
Traded goods		
Yarn	49,78,43,550	18,56,22,686
Total - Sale of traded goods	49,78,43,550	18,56,22,686
Total - Sale of goods (Manufactured and Traded)	7,40,66,40,293	6,62,83,85,986
ii) Sale of services comprises :		
Lamination Charges/Coating Charges	13,59,45,390	3,24,34,420
Rental Income from operating lease	1,20,00,000	1,20,00,000
Total - Sale of services	14,79,45,390	4,44,34,420



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
iii) Other operating revenues comprises :		
Sale of scrap	1,69,56,637	66,53,293
Duty drawback and other export incentives	13,79,42,358	12,42,36,641
SIPCOT Subsidy	5,25,333	5,25,333
Others - Sale of Certified Emission Reduction	32,934	-
Total - Other operating revenues	15,54,57,262	13,14,15,268
21 Other income		
Interest income (Refer Note (i) below)	75,52,469	81,22,562
Dividend income:		
Others	111	145
Net gain on foreign currency transactions and translation (other than considered as finance cost)	7,50,764	31,68,945
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	1,07,044	17,75,839
Total	84,10,388	1,30,67,491
i) Interest income comprises:		
Interest from banks on:		
Deposits	18,37,566	8,31,345
Interest on income tax refund	23,14,080	-
Interest on EB Deposit	34,00,823	72,91,217
Total - Interest income	75,52,469	81,22,562
ii) Other non-operating income comprises :		
Liabilities / provisions no longer required written back	-	16,93,176
Miscellaneous income	1,07,044	82,663
Total - Other non-operating income	1,07,044	17,75,839



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
22 Cost of materials consumed		
Opening stock		
Cotton	84,29,30,044	1,20,44,81,328
Chemicals	85,70,013	46,82,810
Fabric	1,36,81,661	2,84,55,531
Yarn	10,91,76,313	9,45,13,930
Trims	20,25,912	31,77,003
Add: Purchases		
Cotton	3,84,42,80,740	3,20,34,66,142
Chemicals	8,21,91,712	63,47,643
Fabric	14,74,47,745	8,32,78,592
Yarn	95,01,99,508	83,50,47,099
Trims	4,93,76,683	3,34,39,126
Less: Closing stock		
Cotton	1,16,19,81,738	84,29,30,044
Chemicals	72,70,248	85,70,013
Fabric	1,61,55,926	1,36,81,661
Yarn	15,22,61,717	10,91,76,314
Trims	32,49,430	20,25,913
Cost of material consumed	4,70,89,61,271	4,52,05,05,260
Material consumed comprises:		
Raw material - Cotton	3,52,52,29,046	3,56,50,17,426
Raw material - Yarn	90,71,14,104	82,03,84,716
Raw material - Fabric	14,49,73,480	9,80,52,462
Raw material - Chemicals	8,34,91,477	24,60,440
Raw material - Trims	4,81,53,165	3,45,90,216
Total	4,70,89,61,271	4,52,05,05,260
23 Purchase of traded goods		
Traded goods - Fabric	-	1,75,94,976
Traded goods - Yarn	52,95,03,443	18,70,36,136
Total	52,95,03,443	20,46,31,112



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
24 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	42,00,55,821	42,16,18,504
Work-in-progress	12,38,46,247	7,54,45,570
Stock-in-trade	37,39,932	38,17,044
Total	54,76,42,000	50,08,81,118
Inventories at the beginning of the year:		
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	-
Total	50,08,81,118	45,11,22,100
Net (increase) / decrease	(4,67,60,881)	(4,97,59,018)
25 Employee benefit expenses		
Salaries and wages	36,12,58,734	26,79,01,120
Contributions to provident and other funds	3,37,89,075	2,38,40,373
Staff welfare expenses	5,33,50,378	5,18,45,507
Total	44,83,98,187	34,35,87,000
26 Finance costs		
a) Interest expense on:		
i) Borrowings	33,43,11,752	32,67,08,430
b) Other borrowing costs	1,99,34,888	1,81,08,102
c) Net (gain) / loss on foreign currency transactions (considered as finance cost)	90,63,260	1,72,46,708
Total	36,33,09,899	36,20,63,239



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
27 Other expenses		
Consumption of stores and spare parts	83,55,912	33,99,513
Manufacturing Expenses	3,92,82,038	-
Consumption of packing materials	5,64,57,085	8,03,24,810
Power and fuel	51,29,86,151	39,98,82,981
Water	30,29,976	3,46,375
Rent including lease rentals	1,21,58,826	1,18,34,655
Repairs and maintenance - Buildings	84,04,181	98,84,762
Repairs and maintenance - Machinery	15,16,55,507	16,99,03,628
Repairs and maintenance - Others	1,47,64,836	1,14,68,530
Insurance	2,15,24,584	1,81,29,122
Rates and taxes	4,75,47,088	4,83,87,136
Communication	70,96,246	42,20,214
Travelling and conveyance	1,79,80,586	1,61,32,674
Printing and stationery	53,22,236	39,04,210
Freight and forwarding	10,76,26,876	8,79,77,311
Sales commission	7,38,31,955	7,55,79,854
Sales discount	3,69,81,908	2,51,29,113
Quality Claim	1,54,518	58,87,055
Hank Yarn Obligation	26,21,154	21,56,157
Business promotion	62,29,236	13,62,684
Donations and contributions	4,97,568	77,584
Legal and professional	90,63,930	77,67,056
Payments to auditors (Refer Note (i) below)	28,67,405	19,19,206
Corporate Social Responsibility	3,16,389	9,19,848
Bad trade and other receivables, loans and advances written off	-	1,46,082
Miscellaneous expenses	29,29,389	27,74,963
Total	1,14,96,85,580	98,95,15,522
i) Payments to the auditors comprises (net of service tax input credit, where applicable) :		
As Auditors - Statutory Audit	12,50,000	7,75,000
For Taxation Matters	6,89,355	1,75,000
For Other Services - Certification	9,28,050	9,69,206
Total	28,67,405	19,19,206



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
28 Exceptional items		
Profit on sale of fixed assets (net of expenses directly attributable NIL)	-	1,13,02,589
Total	-	1,13,02,589

29. Contingent Liability:

- 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 31.03.2016 is ₹ 1762.05 Lakhs. (31.03.2015 - ₹ 1538.69 Lakhs).
 - 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.
 - The Income Tax Department has demanded ₹ 6.76 Lakhs on account of income tax assessment for the financial year 2009 - 10, 2010 - 11 and 2012 - 13. The Company has appealed the matter Commissioner of Income Tax (Appeals), Coimbatore.
 - 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.
 - 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.
 - The Central Excise Department has demanded duty amounting to ₹ 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.
 - The Central Excise Department has demanded service tax amounting to ₹ 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.
30. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to ₹ 5651.21 Lakhs (31.03.2015 - ₹ 5189.20 Lakhs) approximately.


31. Details of Foreign currency Exposures :

Particulars	Outstanding foreign currency exposures as at 31.3.2016	Covered by forward contracts	Exposures not covered by forward contracts
Cotton Import	\$1,09,70,407 (\$69,94,464)	\$73,83,378 (\$15,60,000)	\$35,87,029 (\$ 54,34,464)
Machinery import	€ 4,40,440 (€14,28,497)	€ 4,40,440 (€ 14,28,497)	Nil (Nil)
Machinery Import	Nil (\$6,47,795)	Nil (\$6,47,795)	Nil (Nil)
Machinery import	Nil (CHF 5,27,000)	Nil (CHF 5,27,000)	Nil (Nil)
Machinery import	Nil (JPY 1,35,27,960)	Nil (JPY 1,35,27,960)	Nil (Nil)
Foreign Currency Loan	Nil (\$11,00,837)	Nil (Nil)	Nil (\$11,00,837)
Export sales	\$34,88,824 (\$ 31,89,310)	(Nil) (Nil)	\$34,88,824 (\$ 31,89,310)
Export Sales	€ 10,85,498 (€ 15,98,253)	Nil (Nil)	€ 10,85,498 (€ 15,98,253)
Export sales	GBP 40,836 (GBP 58,230)	Nil (Nil)	GBP 40,836 (GBP 58,230)

(\$ - 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.

32. Value of Imports calculated on CIF basis : (in Rupees)

Particulars	FY 2015-16	FY 2014-15
Raw Materials	74,73,91,886	30,01,09,824
Spares	95,43,041	4,01,91,424
Capital Goods	16,05,18,277	16,74,27,782

**33. Expenditure in Foreign Currency (in Rupees)**

Nature of Expenses	FY 2015-16	FY 2014-15
Royalty, Know how, Professional/ Consultation Fees/Commission	2,15,82,601	1,53,92,002
Interest & Others	30,77,225	83,46,493
Traveling Expenses	59,60,622	48,04,649

Amount Remitted in Foreign currency (in Rupees)	FY 2015-16	FY 2014-15
Amount remitted on account of Dividend	1,36,755	1,71,110
No. of Non-resident Shareholders	41	52
No. of shares held by them	91,170	85,555
Year to which the dividend related	2014-15	2013-14

34. Earnings in Foreign Exchange (in Rupees)

Particulars	FY 2015-16	FY 2014-15
Export of goods on FOB Basis	2,79,74,56,412	2,99,73,85,771

35. Value of Imported / indigenous Materials Consumed

Particulars	FY 2015-16		FY 2014-15	
Raw Material	Value (₹)	%	Value (₹)	%
Cotton-Imported	72,74,34,782	20.64	30,44,86,328	8.54
Cotton-Indigenous	2,79,77,94,264	79.36	3,26,05,31,097	91.46
Yarn - Indigenous	89,59,59,479	100	82,03,84,716	100
Fabric - Imported	-	-	1,24,66,667	12.71
Fabric - Indigenous	15,61,28,105	100	8,55,85,795	87.29
Chemical - Indigenous	8,34,91,477	100	24,60,440	100.00
Trims - Imported	1,99,57,104	41.45	31,72,296	9.17
Trims - Indigenous	2,81,96,061	58.55	3,14,17,920	90.83
Stores & Spares				
Imported	95,43,041	1.87	4,01,91,424	12.62
Indigenous	49,95,13,683	98.13	27,82,79,251	87.38


36. Details of Government Grants

Details	FY 2015-16	FY 2014-15
Interest subsidy under TUF Scheme (netted off with interest expenses)	5,38,29,785	7,72,34,514
Duty drawback and Other Export Incentives (recognized under Other operating revenues)	13,79,42,358	12,42,36,641
Capital Subsidy Received for setting up of manufacturing facility	2,51,38,000	1,50,00,000
Electricity Tax Concession for setting up of manufacturing facility	-	1,73,97,185

37. Details of borrowing cost capitalized during the year under fixed assets - ₹ 126.51 Lakhs (31.03.2015 - ₹ 312.09 Lakhs).

38. In accordance with the notification No. GSR 719(E) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro Small and Medium Development Act 2006. The Company has not received relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosure has been made in the accounts.

39. Amount pertaining to the Land and Building comprised in the Fixed Assets Schedule represented by 51,394 Equity shares of ₹ 10/- each of a Section 8 Company and Leave & Licence Agreement.

40. 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 2015-16 (₹)	FY 2014-15 (₹)
Provident Fund	1,00,61,486	51,88,153
Family Pension Fund	1,25,02,467	1,03,79,241
Employees State Insurance	53,42,448	40,58,358



Defined Benefit Plan - Gratuity	FY 2015-16 (₹)	FY 2014-15 (₹)
A Change in Defined Benefit Obligation		
Present Value - Opening Balance	2,12,63,981	1,77,42,360
Current service cost	20,96,896	19,74,704
Interest Cost	16,05,411	13,51,574
Actuarial (Gain)/Loss	9,16,769	9,35,241
Benefits paid	(12,57,750)	(7,39,898)
Present Value - Closing balance	2,46,25,307	2,12,63,981
B Change in Fair Value of Plan Assets		
Opening Balance	2,78,56,326	2,28,22,535
Expected Return	23,10,908	19,48,698
Actuarial gain/(loss)	(89,303)	(12,743)
Contributions by employer	33,17,786	38,37,734
Benefits paid	(12,57,750)	(7,39,898)
Closing Balance	3,21,37,967	2,78,56,326
Actual Return	22,21,605	19,35,955
c Net Asset/(Liability) Recognised in the Balance Sheet (as at year end)		
Present value of obligations	2,46,25,308	2,12,63,981
Fair value of plan assets	3,21,37,967	2,78,56,326
Net asset/(Liability) recognized	75,12,659	65,92,345
D Expenses recognised in the profit and loss statement		
Current service cost	20,96,896	19,74,704
Interest on obligation	16,05,411	13,51,574
Expected return on plan assets	(23,10,908)	(19,48,698)
Net Actuarial (gain)/Loss	10,06,072	9,47,984
Total included in Employee benefit expense	23,97,472	23,25,564



E Categories of Plan assets as a percentage of Total Plan assets

Equity Instruments	-	-
Debt Instruments	-	-
Property	-	-
Insurer Managed Asset	100%	100%

F Principal Actuarial Assumptions

Mortality	Indian assured lives mortality (2006 -08) ultimate	
Discount rate (%)	7.68%	7.78%
Future salary increase (%)	7.50%	7.50%
Rate of return of plan assets(%)	8.00%	8.00%

41. Related Party Disclosure :

i) Related Parties

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	
Joint Venture & Associate Companies :	Young Brand Apparel Private Limited (Joint Venture) ₹ 1,01,57,063 Accel Apparels Private Limited (Associate Company) Nil	
Enterprises in which the Key Management Personnel or relatives have significant influence.	Shiva Texyarn Limited	₹ 2,54,33,456
	Anamallais Automobiles (P) Ltd	Nil
	Shiva Automobiles Private Limited	₹ 80,746
	Vedanayagam Oil Company	Nil
	Sakthi Murugan Transports Limited	₹ (7,500)


ii) Related Party Transactions :

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.3.2016
Purchase of Yarn	₹ 8,56,32,120	(₹ 11,25,52,075)	₹ 3,56,63,765/- (₹ 2,73,21,984/-)
Sale of Yarn	₹ 80,02,548	(₹ 30,20,533)	
Sale of Fabric	₹ 5,35,57,463	(₹ 9,34,11,912)	
Conversion Charges Received	₹ 1,32,80,174	(₹ 2,36,20,965)	
Conversion Charges Paid	₹ Nil	(₹ 2,413)	
Lease Rent Received	₹ 1,20,00,000	(₹ 1,20,00,000)	
Lease Rent Paid	₹ 63,60,000	(₹ 63,44,160)	
Vehicle Maintenance Expenses	₹ 4,74,090	(₹ 1,99,730)	
Purchase of Fabric	₹ 1,00,39,861	(₹ 1,69,320)	
Processing Charges received	₹ 51,37,678	(₹ 6,55,608)	
Processing Charges paid	₹ Nil	(₹ 2,675)	
Vehicle Purchase	₹ 13,33,632	(₹ Nil)	
Rent Paid	₹ 2,94,958	(₹ 3,56,664)	
Remuneration of KMP	₹ 2,52,39,643	(₹ 1,09,60,196)	
Salary to Relative of KMP	₹ 30,00,000	(₹ 30,00,000)	

42. Basic and Diluted Earnings per Share :

Details	FY 2015-16	FY 2014-15
Profit/(Loss) for the year attributable to Equity Share holders (₹)	18,55,03,417	12,82,63,775
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	11.77	8.14
Nominal Value of Share (₹)	10.00	10.00



43. The net deferred tax liabilities as at 31.3.2016 comprise the following as per the Accounting Standard 22.

Particulars	As at 31.3.2016	As at 31.3.2015
Deferred Tax Liability on A/c of Depreciation	83,29,71,295	79,05,38,780
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation.	91,29,698	5,84,78,395
Net Deferred Tax Liability	82,38,41,597	73,20,60,385

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

44. Disclosures regarding interest in Joint Venture - The Company has invested ₹ 2,301.04 Lakhs (₹ 2,301.04 Lakhs) in the equity shares of Young Brand Apparel Private as on 31.3.2016. The company does not have any further capital commitment towards purchase of shares of the Joint venture entity.

45. Details of interest in Joint Venture Company

(₹ in Lakhs)

Name of the Company	Country of incorporation	% of voting power held as on 31.3.2016	% of voting power held as on 31.3.2015
Young Brand Apparel Private Limited	India	33.33	33.33

The Proportionate interest of the Company in the Joint Venture entity as on 31.3.2016 is as under:

(₹ in Lakhs)

Financial Year Ended	Assets	Liabilities	Contingent Liabilities	Income	Expenditure
31.3.2016	3,812.80	2,548.30	564.78	5,510.17	5,365.41

46. As a part of its initiative under the "corporate social 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's CSR policy. The following social activities listed below :



(₹ in Lakhs)

S No	Corporate Social Responsibility	Amount
1	Anganwadi Centres	3.16
	Total	3.16

47. Previous year figures have been regrouped or reclassified wherever necessary to confirm to current year's classification.

Vide our report annexed

For **P N RAGHAVENDRA RAO & Co**

Chartered Accountants

P R VITTEL

Partner

Membership No. 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore 25th May, 2016

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

N KRISHNARAJ

Company Secretary

ACS No. 20472

K SADHASIVAM

Director

DIN 00610037

C S BALAKUMAR

Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF BANNARI AMMAN SPINNING MILLS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated financial statements of Bannari Amman Spinning Mills Limited ("the Company"), its associate and jointly controlled entity, comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Company including its associate and jointly owned entity in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company included in the Company and of its associate and jointly owned entity are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the company, as aforesaid.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 consolidated financial statements are free from material misstatements.

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

We believe that the audit evidence obtained by us for the company and its associate and jointly controlled entity is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company, its associate and jointly controlled entity as at March 31, 2016, and their Consolidated profit and their consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law related to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors the company as on March 31, 2016, and taken on record by the Board of Directors of the company, its associate and jointly controlled entity, none of the Directors of the company, its associate and jointly controlled entity is disqualified as on March 31, 2016, from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and its jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate report in **Annexure A** and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the company, its associate and jointly controlled entity - refer Note 30 to the consolidated financial statements.
 - ii) The company, its associate and jointly controlled entity did not have any material foreseeable losses, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company, its associate and jointly controlled entity.

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

P R VITTEL
Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

25th May, 2016



Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Bannari Amman Spinning Mills Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on 31st March 2016, we have audited the internal financial controls over financial reporting of Bannari Amman Spinning Mills Limited ("the Company") and its associate and jointly controlled company which are companies incorporated in India as of that date.

Management's responsibility for Internal Financial Controls:

The respective Board of Directors of the company, its associate and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of the internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risks. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error.



We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its associate company and jointly controlled company have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

25th May, 2016


CONSOLIDATED BALANCE SHEET AS AT 31.3.2016

PARTICULARS	Note No.	As at 31.3.2016 ₹	As at 31.3.2015 ₹
I. EQUITY AND LIABILITIES :			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	2	15,75,42,690	15,75,42,690
b) Reserves and Surplus	3	2,44,08,41,258	2,27,60,33,481
2. DEFERRED INCOME PENDING APPORTIONMENT	4	84,05,334	89,30,667
3. NON-CURRENT LIABILITIES			
a) Long Term Borrowings	5	1,82,20,34,319	2,11,30,82,358
b) Deferred Tax Liabilities (Net)		78,59,48,366	68,95,67,927
c) Other Long Term Liabilities	6	25,50,815	1,21,89,101
d) Long Term Provisions	7	36,86,692	30,12,220
4. CURRENT LIABILITIES			
a) Short Term Borrowings	8	2,50,04,22,413	1,84,28,44,537
b) Trade Payables	9	91,18,67,066	61,58,95,372
c) Other Current Liabilities	10	78,36,53,203	75,23,31,367
d) Short Term Provisions	11	4,77,05,229	4,55,77,079
TOTAL		9,46,46,57,385	8,51,70,06,799
II. ASSETS :			
1. NON-CURRENT ASSETS			
a) Fixed Assets	12		
i) Tangible Assets		5,12,82,17,414	4,52,27,99,964
ii) Intangible Assets		4,18,195	6,77,690
iii) Capital Works in Progress		20,11,93,974	49,83,85,326
iv) Foreign Currency Monetary Items Translation Reserve A/c		-	51,24,051
b) Non Current Investments	13	5,30,23,946	5,19,26,837
c) Deferred Tax Assets		-	-
d) Long Term Loans and Advances	14	60,45,14,452	53,48,39,444
e) Other Non Current Assets	15	2,34,91,545	2,34,91,545
2. CURRENT ASSETS			
a) Inventories	16	2,05,85,67,834	1,60,41,31,633
b) Trade Receivables	17	97,16,74,714	79,85,04,750
c) Cash and Cash Equivalents	18	13,16,05,887	17,42,66,413
d) Short Term Loans and Advances	19	17,68,10,556	23,17,71,353
e) Other Current Assets	20	11,51,38,868	7,10,87,793
TOTAL		9,46,46,57,385	8,51,70,06,799

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
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

P R VITTEL
Partner
Membership No. 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore 25th May, 2016

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer


CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2016

PARTICULARS	Note No.	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
1. Revenue from operations	21	8,25,74,06,006	7,32,08,76,160
2. Other income	22	1,20,63,938	1,69,32,835
3. Total revenue (1+2)		8,26,94,69,944	7,33,78,08,995
4. Expenses			
(a) Cost of materials consumed	23	5,04,40,10,371	4,83,29,96,133
(b) Purchases of stock-in-trade	24	52,95,03,443	20,46,31,112
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(5,76,17,023)	(5,04,25,433)
(d) Employee benefits expenses	26	57,99,36,827	45,94,82,280
(e) Finance costs	27	37,74,96,375	37,21,10,428
(f) Depreciation and amortisation expenses		30,11,92,911	28,07,87,552
(g) Other expenses	28	1,20,31,86,691	1,05,18,10,494
Total expenses		7,97,77,09,596	7,15,13,92,566
5. Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		29,17,60,348	18,64,16,429
6. Exceptional Items	29	-	1,13,02,589
7. Profit / (Loss) before extraordinary items and tax (5+6)		29,17,60,348	19,77,19,018
8. Less : Exceptional Items		-	-
9. Profit / (Loss) before tax (7 + 8)		29,17,60,348	19,77,19,018
10. Tax expense :			
(a) Current tax expense for current year		5,54,78,393	3,60,41,108
(b) (Less): MAT credit (where applicable)		(5,54,78,393)	(3,60,41,108)
(c) Current tax expense relating to prior year		-	-
(d) Net Current tax expense		-	-
(e) Deferred tax		9,63,80,439	6,54,28,517
11. Profit / (Loss) for the year (9 + 10)		19,53,79,909	13,22,90,501
Earnings per share (of ₹ 10/- each):			
(a) Basic (i) Continuing operations		12.40	8.40
(ii) Total operations		12.40	8.40
(b) Diluted (i) Continuing operations		12.40	8.40
(ii) Total operations		12.40	8.40
Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
(a) Basic (i) Continuing operations		12.40	8.40
(ii) Total operations		12.40	8.40
(b) Diluted (i) Continuing operations		12.40	8.40
(ii) Total operations		12.40	8.40
(Significant Accounting Policies)	1		
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
DIN 00002458

K SADHASIVAM

Director
DIN 00610037

P R VITTEL

Partner

Membership No. 200/18111
ICAI Firm Regn. No: 003328S

Coimbatore 25th May, 2016

N KRISHNARAJ

Company Secretary
ACS No. 20472

C S BALAKUMAR

Chief Financial Officer


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2016
(₹ in Lakhs)

	31.3.2016	31.3.2015
I CASH FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary items	29,17,60,348	19,77,19,018
Adjustments for :		
Depreciation	30,11,92,911	28,07,87,552
Interest income	(1,03,80,806)	(1,03,15,698)
Dividend income	(111)	-
Finance costs	37,74,96,375	37,21,10,428
Foreign Exchange Fluctuation	51,24,051	1,21,22,657
Rental income from operating leases	(2,10,060)	(3,07,060)
(Profit) / Loss on sale of Fixed Assets	(83,034)	39,627
Liabilities / Provisions no longer required written back	(1,19,002)	(8,62,313)
	67,30,20,325	65,35,75,194
Operating profit before working capital changes	96,47,80,673	85,12,94,212
Debtors	(17,31,69,964)	(7,33,19,742)
Inventories	(45,44,36,202)	29,10,07,667
Other Current Assets	68,80,049	(8,10,31,680)
Current Liabilities	32,07,60,519	19,28,10,628
	(29,99,65,598)	32,94,66,873
Cash generation from operations	66,48,15,075	1,18,07,61,084
Add: Income Taxes (paid)/refund	(6,58,28,986)	(5,30,82,796)
Net cash from operations	59,89,86,089	1,12,76,78,288
II CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(60,97,03,480)	(74,01,02,987)
Proceeds from sale of assets	1,01,667	1,39,78,903
Interest income	1,03,80,806	1,03,15,698
Dividend income	111	-
Rental income from operating leases	2,10,060	3,07,060
Purchase of Investments	(10,97,109)	(3,00,06,521)
	(60,01,07,945)	(74,55,07,847)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2016 (Contd....)

(₹ in Lakhs)

	31.3.2016	31.3.2015
III CASH FROM FINANCING ACTIVITIES		
Increase/(decrease) in share capital	-	3,09,33,330
Capital Subsidy	(2,33,784)	(16,46,573)
Increase/decrease in short term borrowing	65,75,77,876	(6,67,28,322)
Decrease in Long Term Borrowings	(29,10,48,039)	50,83,262
Interest paid	(37,74,96,375)	(37,21,10,428)
Dividend Paid	(3,03,38,348)	(3,68,63,414)
	(4,15,38,671)	(44,13,32,146)
Net (decrease)/increase in cash and cash equivalents	(4,26,60,526)	(5,91,61,705)
Opening cash and bank balances	17,42,66,413	23,34,28,118
Closing cash and bank balances	13,16,05,887	17,42,66,413
Net (decrease)/increase in cash and cash equivalents	(4,26,60,526)	(5,91,61,705)

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

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

P R VITTEL
Partner
Membership No. 200/18111
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Coimbatore 25th May, 2016

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer



1. Notes to consolidated financial statements for the year ended 31st March 2016

I). Basis of Consolidation

The Consolidated Financial Statements relates to Bannari Amman Spinning Mills Limited and its Associate, Accel Apparel Private Limited and its Joint Venture, Young Brand Apparel Private Limited . The Consolidated Financial Statements have been prepared on the following basis:

- i. Investments in associates where the company holds more than 20% of equity, are accounted for using equity method as per Accounting standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements.
- ii. Investments in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - "Financial Reporting of interests in Joint Ventures"
- iii. The Consolidated Financial Statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements.
- iv. The Associate considered in the Company's Financial Statements is as follows :

Name of the Joint Venture	Country of Incorporation	% of voting power held on 31.3.2016
Accel Apparels Private Ltd	India	50%

- v. The Joint venture company considered in the Company's Financial Statements is as follows :

Name of the Joint Venture	Country of Incorporation	% of voting power held on 31.3.2016
Young Brand Apparel Private Ltd	India	33.33%

II. Significant accounting policies

- i. The Consolidated Financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under Section 133 of the Companies Act 2013 read with rule 7 of Company (Accounts) Rules, 2014. The financial statements have been prepared on accrual and going concern basis under the historical cost convention method. The accounting policies adopted in preparation of financial statements are consistent with those followed in the previous year.
- 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. Depreciation on asset additions costing to ₹5,000/- or less is provided at the rate of 100% in the year of capitalization.
- vi. The Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at 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 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 an certified Actuary

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.
- 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. Borrowing cost includes interest and other cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- x. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of



the asset exceeds the recoverable amount. An impairment loss is charged to the profit and loss account, in the year in which as assets is identified as impaired, An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

- 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 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 consolidated 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. Revenues/incomes and cost/ expenditure are generally accounted on accrual basis, as they are earned or incurred. Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- xv. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential shares.
- xvi. Provisions, Contingent liabilities and Contingent Assets: Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are shown by way of notes attached to and forming part of the consolidated Balance Sheet. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements.
- xvii. Assets taken on lease by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.
- xviii. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. The lease rentals paid under such agreements are accounted in the profit and loss account.



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
2. Share Capital		
a. AUTHORISED		
1,60,00,000 (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
Total	16,50,00,000	16,50,00,000
ISSUED , SUBSCRIBED AND FULLY PAID UP		
1,57,54,269 (PY 1,57,54,269) Equity Shares of ₹.10/- each	15,75,42,690	15,75,42,690
Total	15,75,42,690	15,75,42,690

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

Name of the Share holder	As at 31.3.2016		As at 31.3.2015	
	No.of shares	Amount in ₹.	No.of shares	Amount in ₹.
Equity Shares				
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/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend recommended 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 31.3.2016		As at 31.3.2015	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
Murugan Enterprise P Ltd	78,03,733	49.53	78,03,733	49.53
Gagandeep Credit Capital P Ltd	9,87,475	6.27	9,87,475	6.27



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
3. Reserves and Surplus		
A. General Reserve		
Opening balance	1,42,95,22,091	1,32,39,78,091
Add: Transferred from surplus in Statement of Profit and Loss	10,00,00,000	10,00,00,000
Closing balance	1,52,95,22,091	1,42,95,22,091
B. Share Premium Account	79,30,76,230	79,30,76,230
C. Surplus / (Deficit) in Profit and Loss Account		
Opening balance	5,17,98,669	4,80,99,545
Add : Profit / (Loss) for the year	19,53,79,909	13,22,90,505
Less : Dividends proposed to be distributed to equity shareholders ₹ 1.60/- (one rupees sixty paise per share) (31.3.2015 - ₹ 1.50/- (one rupees fifty paise per share)	2,52,06,830	2,36,31,404
Tax on dividend	51,31,518	48,10,798
Depreciation as per transition provision in note no. 7 of schedule II of the Companies Act 2013	-	(1,49,179)
Transferred to :		
General Reserve	10,00,00,000	10,00,00,000
Closing balance	11,68,40,230	5,17,98,669
D. TUF Investment Subsidy Reserve		
Balance as per last balance sheet	16,36,491	32,83,065
Less : Deferred Income Recognised during the year	2,33,784	4,10,383
Closing balance	14,02,707	16,36,491
Total	2,44,08,41,258	2,27,60,33,481
4. Deferred Income pending Apportionment		
Capital Subsidy on setting up of undertaking	89,30,667	1,50,00,000
Less: Transferred to General Reserve (equivalent to depreciation charged on eligible fixed assets in earlier year)	-	55,44,000
Less: Transferred to Profit & Loss A/c proportionate to current year depreciation	5,25,333	5,25,333
Balance to be apportioned	84,05,334	89,30,667



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
5. Long Term Borrowings		
a. Term loans from Banks - Secured		
ICICI Bank	8,00,00,000	16,00,00,000
Corporation Bank	-	3,61,27,506
Bank of Maharashtra	4,68,75,000	10,93,75,000
Oriental Bank of Commerce	9,33,84,011	28,08,84,011
Indian Bank	1,12,94,67,903	89,06,83,035
Indian Overseas Bank	18,58,22,741	36,56,48,832
SIPCOT Soft Loan	22,30,64,754	20,66,97,969
Other term loans from bank	5,62,58,664	5,46,57,249
b. Long-term maturities of finance lease obligations		
Unsecured	71,61,246	90,08,756
Total	1,82,20,34,319	2,11,30,82,358

Name of the Bank and Details of the loan

ICICI Bank Limited

"ICICI Bank Ltd - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 1600.00 Lakhs (31.3.2015 - 2400 Lakhs) - Current maturity for 31.3.2016 - ₹ 800 Lakhs (31.3.2015 - 800 Lakhs)"

Securities and other Terms & Conditions

"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 : 12.35% (Fixed) p.a".



Corporation Bank

"Corporation Bank - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.3.2016 ₹ 361.27 Lakhs (31.3.2015 - ₹ 761.28 Lakhs) - Current maturity for 31.3.2016 - ₹ 361.27 Lakhs (31.3.2015 - ₹ 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 : 12.15% p.a"

Bank of Maharashtra

"Bank of Maharashtra - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.3.2016 ₹ 1093.75 Lakhs (31.3.2015 - ₹ 1718.75 Lakhs) - Current maturity for 31.3.2016 - ₹ 625 Lakhs (31.3.2015 - ₹ 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 : 12.20% p.a"

Oriental Bank of Commerce

"Oriental Bank of Commerce - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.3.2016 ₹ 2808.84 Lakhs (31.3.2015 - ₹ 4683.84 Lakhs) - Current maturity for 31.3.2016 - ₹ 1875 Lakhs (31.3.2015 - ₹ 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 : 12.20% p.a"



Indian Bank

"Indian Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 745 Lakhs (31.3.2015 - ₹ 1117.50 Lakhs) - Current maturity for 31.3.2016 - ₹ 372.50 Lakhs (31.3.2015 - ₹ 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 : 12.15% p.a"

"Indian Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 2220.93 Lakhs (31.3.2015 - ₹ 2344.93 Lakhs) - Current maturity for 31.3.2016 - ₹ 188 Lakhs (31.3.2015 - ₹ 124.00 Lakhs)"

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

Repayment : 32 Quarterly instalments starting from Feb' 2014.

Rate of Interest : 11.65% p.a"

"Indian Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 9357 Lakhs (31.3.2015 - ₹ 5940.91 Lakhs) - Current maturity for 31.3.2016 - ₹ 467.85 Lakhs (31.3.2015 - Nil)"

"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 June 2016.

Rate of Interest : 11.65% p.a"

"Indian Overseas Bank - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.3.2016 ₹ 1837.23 Lakhs (31.3.2015 - ₹ 3087.23 Lakhs) - Current maturity for 31.3.2016 - ₹ 1250 Lakhs (31.3.2015 - ₹ 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



<p>"Indian Overseas Bank - Rupee Term Loan Outstanding as at 31.3.2016 ₹ 1691 Lakhs (31.3.2015 - ₹ 2111 Lakhs) - Current maturity for 31.3.2016 - ₹ 420 Lakhs (31.3.2015 - ₹ 420 Lakhs)"</p>	<p>extending working capital facilities to the company.</p> <p>Repayment : 32 Quarterly instalments starting from October 2009.</p> <p>Rate of Interest : 12.45% p.a"</p> <p>"Exclusive First charge on windmil unit IV & V assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur district, Tamilnadu.</p> <p>Repayment :32 Quarterly instalments starting from June 2012.</p> <p>Rate of Interest : 12.45% p.a"</p>
<p>"Indian Overseas Bank - Foreign Currency Term Loan Outstanding as at 31.3.2016 - Nil (31.3.2015 - ₹ 698.26 Lakhs) - Current maturity for 31.3.2016 - Nil (31.3.2015 - ₹ 570 Lakhs)"</p>	<p>"Exclusive First charge on windmil unit II assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu</p> <p>Repayment :14 Half-yearly instalments starting from June 2009.</p> <p>Rate of Interest : 6.3452% p.a"</p>
<p>"SIPCOT - Soft Loan Outstanding as at 31.3.2016 - ₹ 2230.65 Lakhs (31.3.2015 - ₹ 2066.98 Lakhs) Current maturity for 31.03.2016 - ₹ Nil (31.3.2015 - ₹ Nil)"</p>	<p>"First charge on Fixed Assets and Second Charge on Current Assets.</p> <p>Rate of Interest : 0.10% p.a"</p>



Nature of Security	Term of Repayment	
Term loan amounting to ₹ 340.07 Lakhs 31.3.2015 (₹ 539.97 Lakhs) from Oriental bank of commerce is secured by first charge on the Fixed Charge on the fixed assets of the company including equitable mortgage over factory land and building and hypothication of other fixed/movable assets acquired out of the loan.	After the initial holiday period of 36 months, repayable in 28 quarterly installments commencing from june, 2010. Last installment due in march, 2017. Rate of interest is 13.50% p.a as at year ended.	
Term loan amounting to ₹ 172.57 from Oriental bank of commerce is secured by first charge on the Fixed Charge on the fixed assets of the company including equitable mortgage over factory land and building and hypothication of other fixed assets created out of the loan.	After the initial holiday period of 24 months, repayable in 84 monthly installments commencing from june, 2017. Last installment due in may, 2024. Rate of interest is 13.50% p.a as at year ended.	
Corporate term loan amounting to ₹ 31667 Lakhs 31.3.2015 (₹ 216.67 Lakhs) from oriental bank of commerce is secured by first charge on the fixed assets of the company including equitable mortgage over factory land and building.	After the initial holiday period of 12 months, repayable in 60 monthly installments commencing from january, 2016. Last installment due in December, 2020. Rate of interest is 13.50% p.a as at year ended.	
PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
6. Other Long Term Liabilities		
i) Trade / security deposits received	25,50,815	27,59,101
ii) Others (Advance received for sale of land)	-	94,30,000
Total	25,50,815	1,21,89,101
7 Long Term Provisions		
a) Provision for employee benefits :		
i) Provision for Gratuity	36,86,692	30,12,220
Total	36,86,692	30,12,220



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
8 Short Term Borrowings		
a) Loans repayable on demand		
From banks		
Secured	2,50,04,22,413	1,64,79,53,356
Unsecured	-	19,48,91,181
Total	2,50,04,22,413	1,84,28,44,537

<p>Name of the Bank and Details of the loan</p> <p>The Karur Vysya Bank Limited</p> <p>"Karur Vysya Bank Ltd - Working Capital Limit ₹ 750 Lakhs Outstanding as at 31.3.2016 ₹ 631.46 Lakhs (31.3.2015 - ₹ 1727.35 Lakhs)"</p>	<p>Securities and other Terms & Conditions :</p> <p>"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.</p> <p>CC Rate of Interest : 11.90%"</p>
<p>Corporation Bank</p> <p>"Corporation Bank - Working Capital Limit ₹ 5250 Lakhs Outstanding as at 31.3.2016 - ₹ 2342.91 Lakhs (31.3.2015 - ₹ 2492.60 Lakhs)" Term Loan</p>	<p>"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.</p> <p>CC Rate of Interest : 11.65% Short Term Loan: 10.90% (Fixed)".</p>
<p>ICICI Bank Limited</p> <p>"ICICI Bank Limited - Foreign Currency - Working Capital Limit ₹ 7500 Lakhs Outstanding as at 31.3.2016 ₹ 5145.83 Lakhs (31.3.2015 - ₹ 1336.83 Lakhs)"</p>	<p>"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 ₹ 1500 Lakhs.</p> <p>PCFC Rate of Interest : 3.86%</p> <p>Short Term Loan - Rate of Interest : 10.60%".</p>



Oriental Bank of Commerce

"Oriental Bank of Commerce - Working Capital Limit ₹ 6000 Lakhs (Interchangable of Cash credit / Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2016 - ₹ 4915.42 Lakhs (31.3.2015-₹3529.28 Lakhs)"

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

First Pari-passu Charge on Current Assets of Garment and Processing Division

Foreign Documentary Demand / Usance Bill having maximum usance of 180 days accompanied by Airway Bill / Bill of Lading evidencing shipment of Goods dealt in by the borrower and drawn under irrevocable letter of credit / Confirmed orders.

CC Rate of Interest : 12.20% PCFC

PCFC Rate of Interest : 3.86% p.a".

Indian Overseas Bank

"Indian Overseas Bank - Working Capital Limit ₹ 7500 Lakhs (Interchangable of Cash credit/WCFC/Rupee Packing Credit/ Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2016 - ₹ 7487.26 Lakhs (31.3.2015 - ₹ 4262.58 Lakhs)"

"Security: Pari-passu 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-passu 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 : 12.15%

PCFC Rate of Interest : 3.86%".



Bank of Maharashtra

Bank of Maharashtra - Working Capital Limit
₹ 500 Lakhs Outstanding as at 31.3.2016
₹ 257.61 Lakhs (31.3.2015 - ₹ 231.22 Lakhs)

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

Rate of Interest : 12.20%.

Allahabad Bank

Allahabad Bank - Working Capital Limit (Interchangable of Cash credit/Packing Credit/Packing Credit in Foreign Currency Loan) ₹ 4800 Lakhs. Outstanding as at 31.3.2016 ₹ 1341.72 Lakhs (31.3.2015 - ₹ 1708.64 Lakhs)

"Security: Pari-passu first charge on current assets of the Company's Spinning Unit- II along 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 : 12.20%

PCFC : 3.86%".

Bank of Bahrain and Kuwait B.S.C.

Bank of Bahrain - Working Capital Limit ₹ 2000 Lakhs Outstanding as at 31.3.2016 ₹ 747.90 Lakhs (31.3.2015 - Nil)

"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.

PCFC Rate of Interest : 2.40%".



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
9 Trade Payables		
Acceptances	91,18,67,066	61,58,95,372
Total	91,18,67,066	61,58,95,372
10 Other Current Liabilities		
a) Current maturities of long-term debt	66,26,36,030	66,46,56,856
b) Current maturities of finance lease obligations	18,44,933	16,86,708
c) Interest accrued and due on borrowings	2,24,90,233	1,13,41,980
d) Other payables		
i) Statutory remittances "(Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) "	1,13,34,949	90,74,007
ii) Payables on purchase of fixed assets	81,73,479	1,56,99,964
iii) Contractually reimbursable expenses	2,38,838	1,86,656
iv) Liability for expenses	43,77,479	38,81,756
v) Trade / security deposits received	3,333	3,333
vi) Advances from customers	6,10,01,949	3,61,00,208
vii) Employee Benefits payable	1,04,80,200	93,59,155
Total	78,36,53,203	75,23,31,367
11 Short Term Provisions		
a) Provision for employee benefits:		
i) Provision for bonus	1,53,34,944	1,54,15,512
ii) Provision for compensated absences	15,02,379	13,08,687
iii) Provision for gratuity net	5,29,558	4,10,679
iv) Provision for proposed equity dividend	2,52,06,830	2,36,31,404
v) Provision for tax on proposed dividends	51,31,518	48,10,798
Total	4,77,05,229	4,55,77,079



NOTE NO. : 12 FIXED ASSETS											
(In Rupees)											
S.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 1.4.2015	Addition / Disposals	Deletion	As at 31.3.2016	Upto 31.3.2015	Depreciation charge for the year	Earlier year depn. on a/c. of change in method of Deprn.	On Disposals	As at 31.3.2016	As at 31.3.2015
1	Land & Site Development	13,84,75,446	3,73,00,000	-	17,57,75,446	2,40,138	2,40,138	-	-	17,52,95,170	13,82,35,308
2	Building										
a)	Owned	1,33,69,16,660	14,71,92,960	-	1,48,41,09,620	32,01,10,624	3,47,85,632	-	-	1,12,92,13,364	1,01,68,06,036
b)	Leasehold	4,65,19,045	5,76,597	-	4,70,95,642	42,88,476	15,31,597	-	-	4,12,75,559	4,22,30,569
3	Plant & Machinery	5,86,07,43,070	70,77,17,892	-	6,56,84,60,962	2,57,07,44,219	25,36,86,329	-	-	3,74,40,30,414	3,28,99,98,851
4	Office Equipment	3,57,47,707	54,40,543	-	4,11,88,250	2,14,15,173	42,57,286	-	-	1,55,15,791	1,43,32,534
5	Furniture & fitting	2,01,94,663	40,71,364	-	2,42,66,026	1,19,16,919	21,64,029	-	-	1,01,85,078	82,77,744
6	Vehicle	2,61,95,417	40,70,145	3,72,655	2,98,92,908	1,34,69,992	42,63,494	-	3,54,022	1,25,13,443	1,27,25,425
7	Tools & Implements	3,75,286	-	-	3,75,286	1,81,790	4,911	-	-	1,88,585	1,93,496
(A)		7,46,51,67,294	90,63,69,501	3,72,655	8,37,11,64,140	2,94,23,67,331	30,09,33,416	-	3,54,022	5,12,82,17,414	4,52,27,99,963
Intangible Assets											
1	Computer Software	69,38,757	-	-	69,38,757	62,61,066	2,59,495	-	-	4,18,195	6,77,690
(B)		69,38,757	-	-	69,38,757	62,61,066	2,59,495	-	-	4,18,195	6,77,690
Capital Work In progress											
1	Buildings	4,34,05,496	5,19,56,983	4,34,05,496	5,19,56,983	-	-	-	-	5,19,56,983	4,34,05,496
2	Plant & Machinery	45,49,79,830	14,52,36,991	45,49,79,830	14,52,36,991	-	-	-	-	14,52,36,991	45,49,79,830
3	Product Development Expenses	-	40,00,000	-	40,00,000	-	-	-	-	40,00,000	-
(C)		49,83,85,326	20,11,93,974	49,83,85,326	20,11,93,974	-	-	-	-	20,11,93,974	49,83,85,326
Total for the year (A + B + C)											
		7,97,04,91,377	1,10,75,63,475	49,87,57,981	8,57,92,96,871	2,94,86,28,398	30,11,92,911	-	3,54,022	5,32,98,29,584	5,02,18,62,979
Previous Year											
		7,23,21,44,056	75,52,93,925	1,69,46,605	7,97,04,91,376	2,66,99,03,468	28,07,87,553	1,49,179	22,11,803	5,02,18,62,980	4,56,22,40,588



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
13 Non Current Investments		
I. NON-TRADE, QUOTED - AT COST - FULLY PAID UP		
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
Total	37,490	37,490
II. NON-TRADE, UN QUOTED - AT COST		
A. IN GOVERNMENT SECURITIES :		
Kisan Vikas Patra	3,000	3,000
B. IN EQUITY INSTRUMENTS OF OTHER ENTITIES:		
i) *302336 (P.Y.344039) Preference shares of ₹100/- each in Anamallais Agencies P Ltd fully paid	2,39,54,557	2,72,58,686
ii) *6443 Preference shares of ₹100/- each in Shiva Automobiles P Ltd	5,10,479	-
iii) *1123 Preference shares of ₹ 100/- each in Kandiamman Properties and Holdings P Ltd	88,975	-
iv) *34137 Preference shares of ₹ 100/- each in Kandiamman Realtors and Developers P Ltd	27,04,675	-
v) 389200 Equity shares of ₹ 10/- each in Cauvery Power Generation Corporation Ltd	1,12,00,000	1,12,00,000
vi) 20000 Equity Shares of ₹ 10/- each SIMA Textiles Processing Centre Limited	-	2,00,000
vii) OPG Metal Power P Ltd 15000 shares @ ₹ 10/- each	1,50,000	1,50,000
viii) Accel Apparels P Ltd - 5000 Shares @ ₹ 10/- each	50,000	50,000
ix) OPG Power Generation Pvt Ltd - 129300 Shares @ ₹ 11/- each	14,22,300	1,25,191
C. IN EQUITY INSTRUMENTS OF JOINT VENTURE :		
i) 21720202 (PY 21720202) Equity Shares face value of ₹ 10/- each in Young Brand Apparel P Ltd (Bannari Amman Apparel P Ltd)	1,29,02,470	1,29,02,470
Total	5,29,86,456	5,18,89,347
Aggregate cost of Quoted Investments	37,490	37,490
Aggregate market value of Quoted Investments	3,59,138	2,07,965
Aggregate cost of unquoted Investments	5,29,86,456	5,18,89,347
T O T A L (UNQUOTED & QUOTED)	5,30,23,946	5,19,26,837

* Shares Reduced / Allotted in terms of the Order of the Hon'ble High Court of Madras in C.P. Nos. 206 to 209 of 2015 dated 30.10.2015.



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
14. Long Term Loans and Advances		
(Unsecured, considered good)		
a) Capital advances*	4,69,11,392	3,67,68,988
b) Security deposits	2,06,48,046	5,94,58,306
c) Advance income tax (net of provisions) - Unsecured, considered good	60,90,584	2,71,40,769
d) MAT credit entitlement - Unsecured, considered good	48,25,81,402	39,56,78,047
e) Balances with government authorities Unsecured, considered good		
i) VAT credit receivable	6,64,624	90,000
f) Other loans and advances (specify nature) - Unsecured, considered good	4,76,18,404	1,57,03,333
Total	60,45,14,452	53,48,39,444
15 Other Non Current Assets		
a) Others		
i) Receivables on sale of fixed assets	2,34,91,545	2,34,91,545
Total	2,34,91,545	2,34,91,545
16 Inventories		
a) Raw materials	1,40,32,06,695	1,02,25,44,586
b) Work-in-progress	14,64,92,268	8,02,90,222
c) Finished goods (other than those acquired for trading)	45,91,05,810	43,89,52,420
d) Stock-in-trade (acquired for trading)	37,39,932	38,17,044
e) Stores and spares	4,60,23,129	5,85,27,362
Total	2,05,85,67,834	1,60,41,31,633
17 Trade Receivables (Unsecured considered good)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	86,73,02,753	75,77,291
Other Trade receivables	10,43,71,961	79,09,27,459
Total	97,16,74,714	79,85,04,750



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
18 Cash and Cash Equivalents		
i) Cash and Cash Equivalents		
a) Cash on hand	51,91,232	16,86,064
b) Cheques, drafts on hand	2,30,00,000	1,79,00,000
ii) Balances with banks		
a) In current accounts	3,46,20,272	6,28,19,714
b) In deposit accounts	2,91,36,011	6,70,80,462
Balances held as margin money or security against borrowings, guarantees and other commitments	3,90,00,829	2,44,09,436
iii) Others (Stamps)	6,57,543	3,70,737
Total	13,16,05,887	17,42,66,413
19 Short Term Loans and Advances		
Unsecured, considered good		
a) Security deposits	18,48,476	1,95,42,057
b) Loans and advances to employees	30,56,516	29,96,854
c) Prepaid expenses	4,24,54,905	3,61,61,030
d) Balances with government authorities		
i) CENVAT credit receivable	4,53,32,112	65,71,001
ii) VAT credit receivable	52,78,626	48,36,309
iii) Excise Duty Rebate receivable	2,50,907	73,82,888
iv) Duty Drawback receivable	2,73,51,478	5,36,33,950
e) Others (Advance for Purchase / Advance Income Tax)	5,12,37,536	10,06,47,263
Total	17,68,10,556	23,17,71,353
20 Other Current Assets		
i) Unbilled revenue	40,17,074	45,41,825
ii) Interest accrued on deposits	-	3,600
iii) Insurance claims	-	3,96,983
iv) TUF Subsidy Receivable	11,11,21,794	6,61,45,385
Total	11,51,38,868	7,10,87,793



PARTICULARS	As at 31.3.2016 ₹	As at 31.3.2015 ₹
21. Revenue from operations		
Sale of products (Refer Note (i) below)	7,92,91,58,869	7,12,95,09,056
Sale of services (Refer Note (ii) below)	14,79,45,390	4,48,08,300
Other operating revenues (Refer Note (iii) below)	18,03,01,747	14,65,58,804
Total	8,25,74,06,006	7,32,08,76,160
i) Sale of products comprises:		
Manufactured goods		
Yarn	3,58,21,36,778	3,95,57,04,427
Fabric	2,70,23,93,265	1,82,12,58,660
Waste Cotton	29,09,26,362	30,45,24,609
Others	8,52,207	-
Garments	85,48,83,930	85,71,79,390
Total - Sale of manufactured goods	7,43,11,92,541	6,93,86,67,086
Traded goods		
Yarn	49,78,43,550	18,56,22,686
Others	1,22,778	6,77,452
Total - Sale of traded goods	49,79,66,328	18,63,00,138
Total - Sale of goods (Manufactured and Traded)	7,92,91,58,869	7,12,49,67,224
ii) Sale of services comprises :		
Lamination Charges/Coating Charges	13,59,45,390	3,24,34,420
Rental Income from operating lease	1,20,00,000	1,20,00,000
Total - Sale of services	14,79,45,390	4,44,34,420



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
iii) Other operating revenues comprise:		
Sale of scrap	1,69,56,637	66,53,293
Duty drawback and other export incentives	16,27,86,843	13,93,80,178
SIPCOT Subsidy	5,25,333	5,25,333
Others - Sale of Certified Emission Reduction	32,934	-
Total - Other operating revenues	18,03,01,747	14,65,58,804
22 Other income		
Interest income (Refer Note (i) below)	1,03,80,806	1,03,01,656
Dividend income:	111	145
Net gain on foreign currency transactions and translation (other than considered as finance cost)	7,50,763	31,68,945
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	9,32,258	34,62,089
Total	1,20,63,938	1,69,32,835
i) Interest income comprises:		
Interest from banks on:		
Deposits	18,37,566	8,31,345
Interest on income tax refund	23,14,080	-
Interest on EB Deposit	34,00,823	72,91,217
Total - Interest income	75,52,469	81,22,562
ii) Other non-operating income comprises :		
Prior period items (net) (Refer Note (iii) below)		
Miscellaneous income (net of expenses directly attributable).	1,07,044	17,75,840
Total - Other non-operating income	1,07,044	17,75,840



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
23 Cost of materials consumed		
Opening stock		
Cotton	84,29,30,044	1,20,44,81,328
Chemicals	85,70,013	46,82,810
Fabric	4,48,89,324	5,09,70,817
Yarn	10,91,76,313	9,45,13,930
Trims	1,69,78,890	1,99,64,374
Add: Purchases		
Cotton	3,84,42,80,740	3,20,34,66,142
Chemicals	8,21,91,712	63,47,643
Fabric	33,15,04,275	25,38,35,060
Yarn	95,01,99,508	83,50,47,099
Trims	21,64,96,248	18,22,31,515
Less: Closing stock		
Cotton	1,16,19,81,738	84,29,30,044
Chemicals	72,70,248	85,70,013
Fabric	5,52,02,002	4,48,89,324
Yarn	15,22,61,717	10,91,76,314
Trims	2,64,90,991	1,69,78,891
Cost of material consumed	5,04,40,10,371	4,83,29,96,133
Material consumed comprises:		
Raw material - Cotton	3,52,52,29,046	3,56,50,17,426
Raw material - Yarn	90,71,14,104	82,03,84,716
Raw material - Fabric	14,49,73,480	9,80,52,462
Raw material - Chemicals	8,34,91,477	24,60,440
Raw material - Trims	4,81,53,165	3,45,90,216
Total	4,70,89,61,271	4,52,05,05,260
24 Purchase of traded goods		
Traded good - Fabric	-	1,75,94,976
Traded good - Yarn	52,95,03,443	18,70,36,136
Total	52,95,03,443	20,46,31,112



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
25 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	44,44,47,683	43,89,52,420
Work-in-progress	13,24,89,094	8,02,90,222
Stock-in-trade	37,39,932	38,17,044
Total	58,06,76,709	52,30,59,685
Inventories at the beginning of the year:		
Finished goods	43,89,52,420	31,18,07,116
Work-in-progress	8,02,90,222	16,08,27,137
Stock-in-trade	38,17,044	-
Total	52,30,59,686	47,26,34,253
Net (increase) / decrease	(5,76,17,023)	(5,04,25,433)
26 Employee benefit expenses		
Salaries and wages	45,08,36,954	34,49,90,025
Contributions to provident and other funds	4,16,55,150	3,07,81,510
Staff welfare expenses	8,74,44,723	8,37,10,745
Total	57,99,36,827	45,94,82,280
27 Finance costs		
a) Interest expense on:		
i) Borrowings	34,21,84,388	33,53,41,157
Less: Interest Subsidy on TUF Loan	(23,26,441)	(31,66,371)
b) Other borrowing costs	2,85,75,168	2,26,88,934
c) Net (gain) / loss on foreign currency transactions (considered as finance cost)	90,63,260	1,72,46,708
Total	37,74,96,375	37,21,10,428



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
28 Other expenses		
Consumption of stores and spare parts	1,25,36,346	66,02,202
Manufacturing Expenses	5,84,37,793	1,91,85,817
Consumption of packing materials	5,64,57,085	8,03,24,810
Power and fuel	52,10,99,739	40,79,59,324
Water	30,29,976	3,46,375
Rent including lease rentals	1,21,58,826	1,18,34,655
Repairs and maintenance - Buildings	1,00,29,612	1,13,78,019
Repairs and maintenance - Machinery	15,24,84,564	17,07,88,476
Repairs and maintenance - Others	1,63,45,780	1,38,93,509
Insurance	2,34,66,797	2,05,74,456
Rates and taxes	4,84,15,204	4,99,86,389
Communication	84,28,248	57,57,034
Travelling and conveyance	2,09,67,100	1,92,50,593
Printing and stationery	59,30,913	44,60,093
Freight and forwarding	11,29,28,449	9,58,43,693
Sales commission	7,42,82,374	7,55,79,854
Sales discount	3,69,81,908	2,51,29,113
Quality Claim	1,54,518	58,87,055
Hank Yarn Obligation	26,21,154	21,56,157
Business promotion	63,74,989	20,00,082
Donations and contributions	4,97,568	77,584
Security charges	8,47,017	7,15,850
Subscription and Meeting Expenses	82,264	75,055
Legal and professional	97,82,869	87,01,918
Payments to auditors (Refer Note (i) below)	30,95,405	21,19,206
Corporate Social Responsibility	3,16,389	9,19,848
Bad trade and other receivables, loans and advances written off	-	1,46,086
Loss on fixed assets sold / scrapped / written off	-	39,627
ROC Filing Fees	200	5,00,000
Bank Charges	8,03,400	51,13,850
Miscellaneous expenses	46,30,204	44,63,765
Total	1,20,31,86,691	1,05,18,10,494



PARTICULARS	Year Ended 31.3.2016 ₹	Year Ended 31.3.2015 ₹
29 Exceptional items		
Profit on sale of fixed assets (net of expenses directly attributable NIL)	-	1,13,02,589
Total	-	1,13,02,589

30. Contingent Liability:

- 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 31.03.2016 is ₹ 1762.05 Lakhs. (31.03.2015 - ₹ 1538.69 Lakhs).
- 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.
- The Income Tax Department has demanded ₹ 6.76 Lakhs on account of income tax assessment for the financial year 2009 - 10, 2010 - 11 and 2012 - 13. The Company has appealed the matter Commissioner of Income Tax (Appeals), Coimbatore.
- 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.
- 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.
- The Central Excise Department has demanded duty amounting to ₹ 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.
- The Central Excise Department has demanded service tax amounting to ₹ 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.



Contingent Liabilities of Joint Venture

- h. Guarantee extended by Oriental Bank of Commerce on behalf of the Company towards export obligation under EPCG scheme amounting to ₹ 13.15 lakhs (₹ 19.72 Lakhs)
- i. Guarantee extended by Oriental Bank of Commerce on behalf of the company to various banks for Buyer's credit amounting to ₹ 500.13 lakhs (₹ 555.13 Lakhs)
- j. Infrastructure and amenities charges levied by Department of Town and Country Planning, for which the Company has jointly made appeal to Hon'ble High Court along with Industrial units in the location and the Hon'ble High Court has given a stay order amounting to ₹ 26.53 lakhs (₹ 26.53 Lakhs)
- k. Demand of Service Tax on the amounts paid to Foreign service providers is under dispute and an appeal has been filed before the Hon'ble Madras High Court, Chennai amounting to ₹ 25.03 lakhs (₹ 25.03 Lakhs)

(Note : The management believes that the ultimate outcome will not have any material adverse effect on the company's financial position and result of operation)

31. Commitments of the company and its joint venture :

Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to ₹ 5651.21 Lakhs (31.03.2015 - ₹ 5189.20 Lakhs) approximately.

Commitments of Joint Venture :

Estimated amount of contract to be executed on the capital accounts and not provided for amounts to ₹ 54.14 lakhs (31.03.2015 - ₹ Nil) approximately.



32. Defined Benefit Plan of the company and its joint venture : Gratuity

Particulars	FY 2015-16 (₹)	FY 2014-15 (₹)
Change in Defined Benefit Obligation		
Present Value - Opening balance	2,46,86,880	2,04,63,879
Current service cost	29,64,303	43,67,541
Interest Cost	18,34,702	15,62,213
Actuarial (Gain)/Loss	12,78,855	(9,66,862)
Benefits paid	(19,23,184)	(7,39,898)
Present Value - Closing balance	2,88,41,556	2,46,86,873
Net Asset/(Liability) Recognised in the Balance Sheet (as at year end)		
Present value of obligations	2,88,41,557	2,46,86,880
Fair value of plan assets	3,21,37,967	2,78,56,326
Net (asset)/Liability recognized	32,96,410	31,69,446
Expenses recognised in the profit and loss statement		
Current service cost	29,64,303	43,67,541
Interest on obligation	18,34,702	15,62,220
Expected return on plan assets	(23,10,908)	(19,48,698)
Net Actuarial (gain)/Loss	13,68,158	(9,54,119)
Total included in Employee benefit expense	38,56,256	30,26,944
Principal Actuarial Assumptions		
Mortality	Indian assured lives mortality (2006-08) ultimate	
Discount rate (%)	7.55%	7.76%
Future salary increase (%)	8.75%	8.75%


33. Related Party Disclosure :
i) Related Parties

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
Joint Venture & Associate Companies :	Young Brand Apparel Private Limited (Joint Venture) Accel Apparel Private Limited (Associate Company)
Enterprises in which the Key Management Personnel or relatives have significant influence.	Shiva Texyarn Limited Anamallais Automobiles (P) Ltd Shiva Automobiles Private Limited Vedanayagam Oil Company Sakthi Murugan Transports Limited Jacob Apparel Limited Intimark Holdings S.DE.R.L.DE, C.V

ii) Related Party Transactions :

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.3.2016
Purchase of Yarn	₹ 8,64,59,643	(₹ 12,33,57,082)	₹ 2,55,06,702/- (₹ 2,73,21,984/-)
Sale of Fabric	₹ 3,08,63,408	(₹ 8,74,87,560)	
Conversion Charges Received	₹ 1,32,80,174	(₹ 2,36,20,965)	
Conversion Charges Paid	₹ Nil	(₹ 2,413)	
Lease Rent Received	₹ 1,20,00,000	(₹ 1,20,00,000)	
Lease Rent Paid	₹ 63,60,000	(₹ 63,44,160)	
Vehicle Maintenance Expenses	₹ 4,74,090	(₹ 1,99,730)	
Purchase of Fabric	₹ 1,22,68,139	(₹ 1,69,320)	
Processing Charges received	₹ 2,67,198	(₹ 5,56,964)	
Processing Charges paid	₹ Nil	(₹ 2,675)	
Vehicle Purchase	₹ 13,33,632	(₹ Nil)	
Rent Paid	₹ 2,94,958	(₹ 3,56,664)	
Remuneration of KMP	₹ 2,52,39,643	(₹ 1,09,60,196)	
Salary to Relative of KMP	₹ 30,00,000	(₹ 30,00,000)	



34. Basic and Diluted Earnings per Share :

Particulars	FY 2015-16	FY 2014-15
Profit/(Loss) for the year attributable to Equity Share holders (₹)	19,53,79,909	13,22,90,501
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	12.40	8.40
Nominal Value of Share (₹)	10.00	10.00

35. There are no extraordinary items during the current financial year. The net deferred tax liabilities as at 31.3.2016 comprise the following as per the Accounting Standard 22.

Particulars	As at 31.3.2016 (₹)	As at 31.3.2015 (₹)
Deferred Tax Liability on A/c of Depreciation	84,94,62,038	80,68,35,605
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation, carried forward losses and on account of difference in treatment of expenditure	6,35,13,672	11,72,67,678
Net Deferred Tax Liability	78,59,48,366	68,95,67,927

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.

36. Details of Share of Profits from Associates and Joint Venture.

Particulars	Net Assets		Share in Profit or (Loss)	
	As a % of consolidated Net Assets	Amount (₹)	As a % of consolidated Net Assets Profit or (Loss)	Amount (₹)
Young Brand Apparel Private Limited	4.81%	12,50,46,445	50.96%	98,76,496
Accel Apparels Private Ltd	0.00%	50,000	0.00%	0.00

37. Previous year figures have been regrouped or reclassified wherever necessary to confirm to current year's classification.

Vide our report annexed

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

P R VITTEL
Partner
Membership No. 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore 25th May, 2016

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

N KRISHNARAJ
Company Secretary
ACS No. 20472

K SADHASIVAM
Director
DIN 00610037

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
2015-2016	1575.43	25315.94	77568.04	5653.56	2880.71	2772.85	16

* Turnover = Net Sales + Closing Stock - Opening Stock

* Excludes interdivision transfers



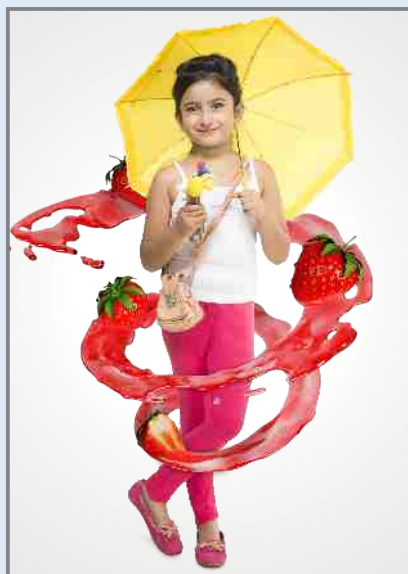
PLANT LOCATIONS :

Spinning Units	
NaduKandanur Pirivu, Morepatty Post Vadamadurai, Dindigul 624 802. Tamilnadu	Velvarkottai, Dindigul Trichy National Highway 45, Veda sandur Taluk, Dindigul 624 803. Tamilnadu
Weaving Unit	Knitting Unit
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658
Technical Textile Unit	Processing Unit
Kovai – Sathy Main Road, Kunnathur Village Ganesapuram Post, S S Kulam (Via) Coimbatore - 641 107	Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052
Garment Unit	
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 & Illuppanagaram Village Udumelpet Taluk Tirupur District Tamilnadu
Address for Correspondence	
<p>All investor related queries and complaints may be sent to the following address:</p> <p>The Company Secretary Bannari Amman Spinning Mills Limited 252, Mettupalayam Road, Coimbatore - 641 043 E-mail: shares@bannarimills.com</p>	

Notes

Bitz, our retail arm, offering various Organic cotton products to the Indian market. We have created an exclusive Organic cotton collection of inner wear, outer wear-in general for men, women & kids daily wear.

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