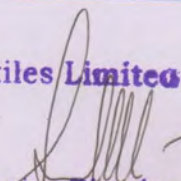
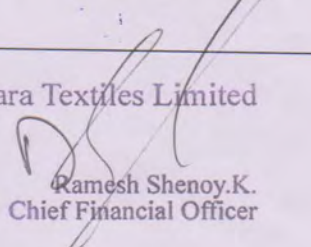
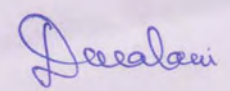


**FORM A****(Pursuant to clause 31(a) of the Listing Agreement)****Format of covering letter of the annual audit report to be filed with the Stock Exchange**

|   |  |  |
|---|--|--|
| 1 | Name of the Company                            | LAMBODHARA TEXTILES LIMITED  |
| 2 | Annual financial statements for the year ended | 31 <sup>st</sup> March 2014  |
| 3 | Type of Audit qualification                    | Un-qualified   |
| 4 | Frequency of qualification                     | Not Applicable   |
| 5 | To be signed by-<br>CEO/Managing Director      | Mr.R.Santossh<br>Managing Director   |
|   | CFO  | Mr. Ramesh Shenoy. K,<br>Chief Financial Officer   |
|   | Auditor of the company                         | For Mohan & Venkataraman<br>Chartered Accountants<br>FRN: 007321S<br>R.Mohan<br>Partner<br>Membership No.:201229 |
|   | Audit Committee Chairman                       | Mr. Deepak P Malani<br>Chairman of Audit Committee   |

**For Lambodhara Textiles Limited**  
**Managing Director****for Lambodhara Textiles Limited**  
**Ramesh Shenoy.K.  
Chief Financial Officer****For Mohan & Venkataraman  
Chartered Accountants**  
**Partner**

# *Lambodhara Textiles Limited*



*th*  
*Annual Report*  
**2013 - 2014**



## *Lambodhara Textiles Limited*

### BOARD OF DIRECTORS

|   |   |  |
|---|---|--|
| <b>Managing Director</b>                    | : | Sri. Santossh R.   |
| <b>Whole Time Directors</b>                 | : | Smt. Vimala R.<br>Smt. Giulia Bosco  |
| <b>Non-Executive Directors</b>              | : | Sri. Deepak Malani<br>Sri. Vasthupal R. Mehta<br>Sri. Girish G. Radia  |
| <b>Bankers</b>                              | : | <b>State Bank of India</b><br>Specialised Commercial Branch<br>24, Stanes Road, Tirupur-2.<br>Phone : 0421-2207400<br><br><b>Bank of India</b><br>Main Branch, Oppanakara Street,<br>Coimbatore-1. Phone : 0422-2396772      |
| <b>Auditors</b>                             | : | <b>M/s. Mohan &amp; Venktataraman</b><br>Chartered Accountants<br>No.9, Bharathi Park, III Cross,<br>Saibaba Mission Post, Coimbatore-11.  |
| <b>Registrar &amp; Share Transfer Agent</b> | : | <b>M/s. SKDC Consultants Limited</b><br>Kanapathy Towers, 3rd Floor,<br>1391/A-1, Sathy Road, Ganapathy,<br>Coimbatore-6.<br>Phone : 0422-6549995, 2539835 - 836<br>Fax : 0422-2539837<br>E-mail : info@skdc-consultants.com |

#### REGISTERED OFFICE

3-A, 3rd Floor, B-Block,  
Pioneer Apartments,  
1075-B, Avinashi Road, Coimbatore-641 018  
Phone : 0422 - 2249038

#### WORKS

826, Thazhaiyuthu  
Palani Taluk  
Pin : 624 618  
Phone : 04252 - 252253



## *Lambodhara Textiles Limited*

### **20th ANNUAL GENERAL MEETING**

**Date** : 11th September 2014  
**Day** : Thursday  
**Time** : 11.00 a.m.  
**Venue** : Vibha, The Grand Regent,  
708, Avinashi Road, Coimbatore – 641 018

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## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twentieth Annual General Meeting of the members of Lambodhara Textiles Limited will be held on Thursday, the 11<sup>th</sup> day of September 2014 at 11.00 a.m. at Vibha, The Grand Regent, 708, Avinashi Road, Coimbatore - 641 018 to transact the following business

### AGENDA

#### Ordinary Business

1. To receive, consider and adopt the Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2014 and the Balance Sheet as on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on Equity Shares.
3. To re-appoint the Auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to the Provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224, and other applicable provisions, if any of the Companies Act, 1956) Messrs. Mohan & Venkataraman (Firm Registration No. 007321S), Chartered Accountants, Coimbatore be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of 3 years from the conclusion of this Annual General Meeting till the conclusion of the 23<sup>rd</sup> Annual General Meeting which ought to be held in the year 2017, subject to ratification by the Shareholders annually, at a remuneration to be decided by the Board of Directors.

#### Special Business

- 4 To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Vastupal Rajnikant Mehta (holding DIN02368358), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting, i.e., 11<sup>th</sup> September 2014 to 10<sup>th</sup> September 2019 and not liable to retire by rotation.

- 5 To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Deepak Padamshi Malani (holding DIN02400928), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a



member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting, i.e., 11<sup>th</sup> September 2014 to 10<sup>th</sup> September 2019 and not liable to retire by rotation

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Meenakshi Sundaram Rajkumar (holding DIN: 06935422), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4<sup>th</sup> August 2014 and who holds office until the date of the Annual General meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting ie 11<sup>th</sup> September 2014 to 10<sup>th</sup> September 2019 and not liable to retire by rotation

- 7 To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Radhakrishnan Santossh (having DIN:00790493) as the Managing Director of the Company for a period of Five (5) years commencing from 26<sup>th</sup> September, 2014 to 25<sup>th</sup> September 2019 on the following terms and conditions.

**I. SALARY**

Salary of ₹ 85,000/- per month

**II. PERQUISITES:**

House Rent Allowance of ₹ 15,000/- per month

Fees of the clubs subject to a maximum of two clubs excluding admission and life membership fees.

Provision of a Company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to the Managing Director.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the above salary and perquisites shall be treated as minimum remuneration as specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this





resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.

8. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution

Resolved That in supersession of the Resolution No.6 passed at the Annual General Meeting of the Company held on 30<sup>th</sup> August, 2012 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof, consent and approval of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time in one or more tranches, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding will exceed the aggregate of the paid-up share capital and free reserves, provided that the total amount upto which monies may be borrowed by the Board of Directors (apart from temporary loans obtained from the Company's bankers) shall not exceed ₹150 Crores (Rupees One Hundred and Fifty Crores only)

9. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution

RESOLVED THAT in supersession of the earlier resolutions and pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to mortgage or otherwise dispose of or to create charge, mortgage and/or hypothecate the whole of or substantially the whole of the undertakings of the Company at such time and on such terms and conditions as the Board may deem fit, in the best interest of the Company.

RESOLVED FURTHER THAT the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets, and/or undertakings of the Company (both present and future) in certain events, to banks/financial institutions, other lending agencies, and/or trustees for the holders of debentures/bonds/other instruments, to secure any rupee loans or foreign currency loans.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.

10. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules thereof the



Articles of Association of the Company be and is hereby amended and altered in the manner specified below.

- a. After the existing Article 148, the following new Article 148A be and is hereby inserted as detailed below.

148A. Subject to the provisions of Section 196 of the Companies Act, 2013, the Directors may also from time to time appoint one or more of their body to be a whole time Director or whole time Directors of the Company. The Whole time Director(s) so appointed shall while holding such office be subject to retirement by rotation at the Annual General Meeting.

11. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

Resolved that in partial modification of the Resolution No. 7 passed at the Annual General Meeting held on 26<sup>th</sup> August 2013, the terms of appointment of Mrs. Bosco Giulia, Whole Time Director be and is hereby amended by inserting thereto the following clause.

“Mrs. Bosco Giulia, Whole Time Director is liable to retire by rotation.”

Further Resolved that all the other terms and conditions of appointment of Mrs. Bosco Giulia, Whole Time Director remains unaltered.

12. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

Resolved That pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mrs. Vimala Radhakrishnan (having DIN : 00813706) as the Whole Time Director of the Company, whose period of office is liable to retire by rotation, for a period of Five (5) years commencing from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September 2019 on the following terms and conditions.

I. SALARY

Salary of ₹ 50,000/- per month

II. PERQUISITES:

Provision of a Company car with driver for use on Company's business and telephone facility at her residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to the Whole Time Director.

Resolved Further That in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the above salary and perquisites shall be treated as minimum remuneration as specified in Schedule V of the Companies Act, 2013.

Resolved Further That the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the





purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.

13. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014 and read with Clause 49 (VII) of the Listing Agreements and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with M/s. Strike Right Integrated Services Limited, a related party as defined under the Act with respect to purchase of goods or materials.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

#### **Explanatory Statement Pursuant To Section 173(2) of The Companies Act, 1956**

##### **Item No. 4**

Mr. Vastupal Rajnikant Mehta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 15<sup>th</sup> November 1995. The qualification and expertise of Mr. Vastupal Rajnikant Mehta has been detailed in the annexure attached.

Mr. Vastupal Rajnikant Mehta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Vastupal Rajnikant Mehta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 10<sup>th</sup> September 2019. A notice has been received from a member proposing Mr. Vastupal Rajnikant Mehta as a candidate for the office of Director of the Company.

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

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vastupal Rajnikant Mehta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vastupal Rajnikant Mehta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vastupal Rajnikant Mehta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.



**Item No. 5**

Mr. Deepak P Malani is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 15<sup>th</sup> November 1995. The qualification and expertise of Mr. Deepak P Malani has been detailed in the annexure attached.

Mr. Deepak P Malani retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act 2013 Mr. Deepak P Malani being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 10<sup>th</sup> September 2019. A notice has been received from a member proposing Mr. Deepak P Malani as a candidate for the office of Director of the Company.

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

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Deepak P Malani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Deepak P Malani as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Deepak P Malani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

**Item No. 6**

The Board at its meeting held on 4<sup>th</sup> August 2014 appointed Mr. Meenakshi Sundaram Rajkumar as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013. The qualification and expertise of Mr. Meenakshi Sundaram Rajkumar has been detailed in the annexure attached.

Pursuant to the provision of Section 161 of the Companies Act, 2013 Mr. Meenakshi Sundaram Rajkumar holds office up to the date of ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. Meenakshi Sundaram Rajkumar being eligible and offer himself for appointment is proposed to be appointed as Independent Director for five consecutive year for a term up to 10<sup>th</sup> September 2019. A Notice has been received from a member proposing Mr. Meenakshi Sundaram Rajkumar as a candidate for Director of the Company.

In the opinion of the Board, Mr. Meenakshi Sundaram Rajkumar fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Meenakshi Sundaram Rajkumar as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.



The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Meenakshi Sundaram Rajkumar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Meenakshi Sundaram Rajkumar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Meenakshi Sundaram Rajkumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

#### **Item No 7**

At the 15<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2009 the shareholders, pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, accorded their approval through an Ordinary Resolution to the appointment of Mr. Radhakrishnan Santossh as the Managing Director of the Company for a period of five years commencing from 26<sup>th</sup> September 2009 to 25<sup>th</sup> September 2014.

The Board of Directors at their meeting held on 4<sup>th</sup> August 2014 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 4<sup>th</sup> August 2014, approved the re-appointment of Mr. Radhakrishnan Santossh as Managing Director of the Company for a period of five years commencing from 26<sup>th</sup> September 2014 to 25<sup>th</sup> September 2019. The Board has also approved the terms and conditions of his appointment including remuneration, as recommended by the Nomination and Remuneration Committee, in accordance with the provisions of Sections 197, 203 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. Radhakrishnan Santossh satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 3 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Managing Director of the Company.

The Board of Directors are of the opinion that the appointment of Mr. Radhakrishnan Santossh as the Managing Director is in the best interest of the Company and accordingly, recommend the resolution set out in Items No. 7 for approval of the members.

Other than Mr. Radhakrishnan Santossh being the appointee and Mrs. R. Vimala and Mrs. Bosco Giulia his relatives, none of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the proposed Resolution at Item No. 7 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

#### **Item No. 8 & 9**

In terms of the ordinary resolution passed pursuant to Section 293(1)(d) of the Companies Act, 1956 by the Shareholders at the Annual General Meeting held on 30<sup>th</sup> August 2012, the Board of Directors of the Company were authorised to borrow upto a sum of ₹ 100 Crores. In view of the increased scale of operations, it is considered desirable to increase the Board's borrowing powers from the existing limit of ₹ 100 Crores to ₹ 150 Crores. Accordingly the Company has proposed a Special Resolution in Item No. 8 pursuant to Section 180(1)(c) of the Companies Act, 2013 to increase the borrowing limits of the Company.

This in turn would necessitate further creation of securities by suitable mortgages and / or charges on all or some of the immovable and movable properties of the Company, both



present and future, in favour of the lenders / trustees to create mortgage and / or charge, approval of the Members is required to be obtained pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard. Accordingly the Company has proposed a special resolution in Item No. 9 pursuant to Section 180(1)(a) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 8 and 9.

#### **Item No. 10**

The Board of Directors at their meeting held on 4<sup>th</sup> August 2014 has recommended amendment of the Articles of Association of the Company by inserting new Article 148A. The Articles of Association of the Company does not provide for any provision to enable the Whole-time Director(s) of the Company to retire by rotation at the Annual General Meetings. Hence the Articles of Association has to be altered in line with the new Companies Act, 2013 to make the office of Whole time Director(s) liable to retire by rotation.

Therefore, the Board of Directors in order to comply with the provisions of Section 152(6) of the Companies Act, 2013 recommends amendment to the Articles of Association by inserting new Article 148A, to make the office of Whole time Directors, while holding such office as liable to retirement by rotation at the general meetings.

The Resolution at Item No. 10 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013. The Board of Directors recommends the resolution for the approval of the Members.

A copy of the Articles of Association together with the proposed amendments will be available for inspection by the members during office hours on any working day.

Mrs.Bosco Giulia, Mrs. Vimala Radhakrishnan and Mr. Radhakrishnan Santossh are deemed to be interested in this resolution. None of the other Directors, Key Managerial Personnel or their relatives are interested in the Resolution as set out in Item No.10 of the Notice.

#### **Item No. 11**

As per Section 152(6) of the Companies Act, 2013, two thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by rotation of Directors. Independent Directors are excluded from the total number of Directors for this purpose as they are not liable to retire by rotation and their tenure of office is fixed as five years from the date of appointment.

At present there are six Directors on the Board, out of the six Directors, three Directors are Independent Directors and are not liable to retire by rotation and are not to be counted for total strength in calculating retirement of Directors by rotation. Out of the remaining three Directors, Mr. R. Santossh, Managing Director and Mrs. Bosco Giulia, Whole time Director are not liable to retirement by rotation and the remaining director who is liable to retirement by rotation is only one. The strength of non retiring directors on the Board shall not exceed one third of the total strength of Directors other than Independent Directors.

Accordingly, in order to comply with the provisions of 152 of the Companies Act, 2013 it is proposed to amend the terms of appointment of Mrs. Bosco Giulia, Whole time Director so as to make her liable to retire by rotation. Hence, the Board recommends this resolution for the Shareholders' approval.



Mrs. Bosco Giulia, Mrs. Vimala Radhakrishnan and Mr. Radhakrishnan Santossh are deemed to be interested in this resolution. None of the other Directors, Key Managerial Personnel or their relatives are interested in the Resolution as set out in Item No.11 of the Notice.

**Item No. 12**

The Board of Directors at their meeting held on 4<sup>th</sup> August 2014 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 4<sup>th</sup> August 2014, approved the appointment of Mrs. Vimala Radhakrishnan as Whole time Director of the Company for a period of five years commencing from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2019. The Board has also approved the terms and conditions of her appointment including remuneration, as recommended by the Nomination and Remuneration Committee, in accordance with the provisions of Sections 197 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mrs. Vimala Radhakrishnan satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 3 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Whole time Director of the Company.

The Board of Directors are of the opinion that the appointment of Mrs. Vimala Radhakrishnan as the Whole time Director is in the best interest of the Company and accordingly, recommend the resolution set out in Item No. 12 for approval of the members.

Other than Mrs. Vimala Radhakrishnan being the appointee and Mr. Radhakrishnan Santossh and Mrs. Bosco Giulia her relatives, none of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the proposed Resolution at Item No. 12 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement

**Item No. 13**

The Company has been entering into transactions with related party confirming to prescribed statutory procedure under the Companies Act, 1956. The Company also proposes to enter into such transactions with related party confirming to the requirements of the Companies Act, 2013 for a period of 5 years.

In the above context necessary Special Resolution is proposed for the approval of the members. The transactions have been approved by the Audit Committee in their meeting held on 4<sup>th</sup> August 2014 and also by the Board of Directors subject to the approval of the members by passing a Special Resolution as per the requirement of the Companies Act, 2013.

The particulars as to the related party transactions are furnished below as per the requirements of the prescribed rules and the grounds for having the transactions. All contracts will be subject to the conditions that the prescribed price / charges payable under the contracts shall be competitive, shall be based on prevailing market price, shall not be prejudicial to the interest of either parties and shall be at arm's length, on the basis of comparable uncontrolled price other than with associate enterprise.



The Details of the related party transaction(s) are furnished below.

| Name of the Related Party   | Strike Right Integrated Services Limited   |                                  |
|---|--|----------------------------------|
| Name of the Director / Key Managerial Personnel who is related, if any                                  | Mrs. R. Vimala<br>Mrs. Giulia Bosco  |                                  |
| Nature of relationship  | Interested as member / Director  |                                  |
| Nature, Material Terms, monetary value and particulars of the contract or arrangement;                  | Particulars  | Monetary Value<br>(₹ in Million) |
|   | Purchase of Cotton, man made fibre & Yarn.                                       | 1000.00                          |
| Tenure of the contract  | The Contract would be for a period of five years from 1 <sup>st</sup> April 2014 |                                  |
| Any other information relevant or important for the members to take decision on the proposed resolution | None   |                                  |

The Board recommend the Special Resolution as set out in Item No.13 of the Notice for the approval of the Members who are not related party. Directors, as mentioned as related parties above, may be deemed to be interested or concerned in the Resolution.

#### Notes

1. A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.  
  
The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. Details under Clause 49 of the Listing Agreement with the Stock Exchange(s) in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.





5. Pursuant to Section 123 of the Companies Act, 2013 dividend as recommended by the Board of Directors for the year ended 31<sup>st</sup> March 2014, if declared, at the ensuing Annual General Meeting is proposed to be paid on or before 17<sup>th</sup> September 2014.
6. The register of members and share transfer books of the Company will remain closed from 8<sup>th</sup> September 2014 to 11<sup>th</sup> September 2014 (both days inclusive).
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or the Registrars cannot act on any request received directly from the members holding shares in electronic form for any such change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members. Members holding shares in physical form and desirous of either registering bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrars and Share Transfer Agents of the Company.
8. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company / RTA without any delay.
9. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his / her queries to the Company atleast seven working days prior to the meeting, so that the required information can be made available at the meeting.
10. Pursuant to Section 205A of the Companies Act, 1956, the Dividend which remained un-encashed / unclaimed for a period of seven years from the date of transfer to the unpaid Dividend account is required to be transferred to the "Investor Education and Protection Fund" established by the Central Government. According to the relevant provisions of the Companies Act, 1956, as amended, no claim shall lie against the said fund or the Company for the amount of unclaimed Dividend so transferred to the said Fund. Members who have not encashed the Dividend warrant(s) so far, are requested to send their claim immediately to the Company / Registrar and Transfer Agent for issue of pay order / demand draft in lieu thereof.
11. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
12. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to M/s SKDC Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641006.



14. The members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and share transfer agent of the Company, M/s.SKDC Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641006.
15. Electronic copy of the Annual Report for 31<sup>st</sup> March 2014, the Notice of the 20<sup>th</sup> Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent to all the members whose e-mail IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

16. Voting through electronic means:

- I. Pursuant to Clause 35B of the Listing Agreement with the Stock Exchange and Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL) :

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this notice, a postal ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. M.D.Selvaraj, Scrutinizer, MDS Associates, “Surya”, 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028 so as to reach him on or before 8<sup>th</sup> September, 2014 by 5:00 P:M. Any Ballot Form received after the said date shall be treated as if the reply from the members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by postal ballot or through e-voting. If members are opting for e-voting then do not vote by postal ballot or vice versa.

However, in case of members casting their vote by postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

The instructions for members for voting electronically are as under:-

**(A) In case of members receiving e-mail:**

- (i) Log on to the e-voting website <http://www.evotingindia.co.in>
- (ii) Click on “Shareholders” tab.
- (iii) Now, select “Lambodhara Textiles Limited” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.



(v) If you are holding shares in demat form and had logged on to <http://www.evotingindia.co.in> and casted your vote earlier for any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN   | <p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul> |
| DOB#  | <p>Enter the Date of Birth as recorded in your demat account 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. If the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank details field.</p>  |

# Please enter the DOB or Dividend Bank Details in order to login.

(vii) After entering these details appropriately, click on “SUBMIT” tab.

(viii) Members holding shares in physical form will then reach directly the “Lambodhara Textiles Limited” 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the relevant EVSN – Lambodhara Textiles Limited on which you choose to vote.

(xi) 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.

- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - (xiii) 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.
  - (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**(B) In case of members receiving the physical copy:**

- i) Please follow all steps from Sl. No. (i) to Sl. No. (xvi) above to cast vote.
- ii) The voting period begins on Friday, 5th September 2014 at 9.00 A:M and ends on Sunday, 7th September 2014 at 6.00 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 Friday, 8th August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii) 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 <http://www.evotingindia.co.in> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(C) In case of members desiring to exercise vote by Postal Ballot:**

A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business



reply envelope properly sealed. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

AS THE COMPANY HAS PROVIDED E-VOTING /POSTAL BALLOT VOTING IN TERMS OF CLAUSE 35B OF THE LISTING AGREEMENT, MEMBERS MAY PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING EITHER THROUGH E-VOTING OR BY POST. THE SCRUTINIZER WILL COLLATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES RECEIVED THROUGH POSTAL BALLOT TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING.

- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date Friday, 8th August 2014.
- III. Mr. M.D. Selvaraj FCS, Proprietor of MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process / Postal Ballot in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman.
- V. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.lambodharatextiles.com](http://www.lambodharatextiles.com) within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges where the Company's shares are listed.

By Order of the Board,

(Sd/-) **SANTOSSH. R**  
Managing Director

Place : Coimbatore  
Date : 04.08.2014



### Appointment of Directors

A brief resume, nature of experience in specific functional areas and other directorship of committees in respect of reappointment of Directors are given in terms of Clause 49 of the listing agreement.

| <b>Name</b>  | <b>Vastupal Rajnikant Mehta</b>                    | <b>Deepak P Malani</b>                          | <b>Radhakrishnan Santossh</b>                      | <b>VimalaRadhakrishnan</b>  | <b>Meenakshi Sundaram Rajkumar</b>              |
|--|--|---|--|---|---|
| DIN  | 02368358   | 02400928  | 00790493   | 000813706   | 00119411  |
| Date of Birth  | 04.06.1951   | 20.11.1950                                      | 24.02.1968   | 29.12.1946  | 02.02.1965                                      |
| Nationality  | Indian   | Indian  | Indian   | Indian  | Indian  |
| Year of induction to the Board                         | 15.11.0995   | 15.11.1995                                      | 05.10.1994   | 23.08.1995  | 04.08.2014                                      |
| Qualification  | Graduate   | Graduate  | Graduate   | Graduate  | Graduate  |
| Expertise in functional area                           | Has been in Textile Business for the past 28 years | Vast knowledge of the Textile Business          | Has been in Textile Business for the past 20 years | Has been associated with the Company since inception and has vast knowledge of the Textile Industry | Vast knowledge of the Textile Business          |
| Shareholding   | NIL  | NIL   | 1283253  | 21000   | NIL   |
| Directorships - Name of Company                        | Does not hold directorship in any other company    | Does not hold directorship in any other company | Does not hold directorship in any other company    | Strike Right Integrated Services Limited  | Does not hold directorship in any other company |
| Chairman/Member other companies inwhich he is Director | NIL  | NIL   | NIL  | NIL   | NIL   |



**DIRECTORS' REPORT**

Ladies & Gentlemen

Your Directors are pleased to present the Twentieth Annual Report of your Company and the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March 2014. The Management Discussion and Analysis is included as a part of this Report.

**FINANCIAL RESULTS**

| PARTICULARS   | 2013-2014    | 2012-2013    |
|---|--------------|--------------|
|   | (₹ in '000)  | (₹ in '000)  |
| Profit before Depreciation and Amortisation Expenses, Finance Cost and Tax Expenses | 158656       | 160774       |
| Less : Finance Cost   | 63325        | 63334        |
| Depreciation and Amortisation Expenses  | 54167 117492 | 45452 108786 |
| <b>Profit before Tax</b>  | 41164        | 51988        |
| Less : Current Tax  | 8268         | 12554        |
| Deferred Tax  | -2491 5777   | 7295 19849   |
| <b>Profit for the year</b>  | 35387        | 32139        |
| Add : Balance in Statement of Profit & Loss   | 83112        | 56907        |
|   | 118499       | 89046        |
| <b>Less : Appropriation</b>   |              |              |
| Transferred to General Reserve  | 890          | 810          |
| Proposed Dividend on Equity Shares  | 4380         | 4380         |
| Tax on Dividend   | 744          | 746          |
| Closing Balance   | 112485       | 83112        |

**REVIEW OF OPERATIONS**

Your Company has achieved a Profit before Tax of ₹ 411.64 lacs from operations on a turnover of ₹ 11,209.11 lacs for the year ended 31<sup>st</sup> March 2014.

**FUTURE PLANS OF THE COMPANY**

Your Company had commenced construction of commercial complex admeasuring 25,000 sq. ft. on prime location during August 2013 and is expected to be completed during this financial year. The Company is planning to let out the entire space, and the rental receipt will improve the bottomline.

Your Company has entered into an agreement with M/s. V.R. Textiles Private Limited to utilize their spare capacity of 25,000 spindles for conversion of cotton into yarn. This will enhance the spinning capacity of the Company and will have an impact on the overall performance of the Company.



## **OPPORTUNITIES**

Your Company is mainly focusing on customized fancy yarn in niche segment and has extended its entry into speciality fibre fancy yarn which should help in the years to come.

## **THREATS**

The economy world over is slowing down may have impact in the performance of textile industry in general.

## **RISKS AND CONCERN**

Your Company is exposed to all the risks associated with this business in terms of market conditions, timing, inflation, long term economic conditions, etc.,

## **INTERNAL CONTROL SYSTEMS**

The company has an Internal Control System commensurate with the size and the nature of its business.

## **SEGMENTWISE PERFORMANCE**

The main business of your Company is Textiles. The Company has two wind mills of 2.75 MW capacity. The electricity generated from the said WEG is used for captive consumption and takes care of 50% of power requirement at present level of operation.

## **Directors**

Mr.Girish Gordhandas Radia resigned as Director of your Company on 4<sup>th</sup> August, 2014. The Board places on record its appreciation for his valuable contribution to your Company as an Independent Director during his association with your Company.

Mr. Vastupal Rajnikant and Mr. Deepak Padamshi Malani retire at the ensuing Annual General meeting and the Directors have proposed to appoint them as Independent Directors for five consecutive years commencing from 11<sup>th</sup> September 2014 to 10<sup>th</sup> September 2019

The Board of Directors at their meeting held on 4<sup>th</sup> August 2014 have appointed Mr.M.Rajkumar as Additional Director and he holds office up to the ensuing Annual General Meeting. The Board of Directors have recommended the appointment of Mr.M.Rajkumar as Independent Director to hold office for five consecutive years from 11<sup>th</sup> September 2014 to 10<sup>th</sup> September 2019 as per the provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

The Board of Directors at their meeting held on 4<sup>th</sup> August 2014 have reappointed Mr. Radhakrishnan Santossh as Managing Director of the Company for a further period of 5 years from 26.09.2014. The Board of Directors have also appointed Mrs. Vimala Radhakrishnan as Whole time Director of the Company for a period of 5 years from 01.10.2014.

A brief resume, expertise, shareholding in the Company and details of other Directorships of these Directors as stipulated under Clause 49 of the Listing Agreement with the Stock



Exchange form part of the Notice of ensuing Annual General Meeting.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act, 1956.

Your directors recommend their appointment / re-appointment.

#### **DIVIDEND**

Your Directors recommend a dividend of 10% (₹ 1/- per share of face value of ₹ 10/-) subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

#### **AUDITORS**

M/s. Mohan & Venkataraman, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Audit Committee and the Board recommend the re-appointment M/s. Mohan & Venkataraman, Chartered Accountants as Statutory Auditors and the Company has received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under section 139 of the Companies Act, 2013. Members are requested to appoint the Auditors for a period of three years commencing from the conclusion of the ensuing 20<sup>th</sup> Annual General Meeting upto the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company which ought to be held during the year 2017.

#### **PUBLIC DEPOSITS**

Your Company has accepted deposits from the public upto 16<sup>th</sup> January, 2014. The amount of deposits outstanding as on 31<sup>st</sup> March, 2014 was ₹ 195.00 Lakhs and there are no overdue deposits as on 31<sup>st</sup> March 2014. There are no unclaimed deposits.

#### **INFORMATION PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956.**

As per the requirement of Section 217(1)(e) of The Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information regarding conservation of energy, technology absorption and foreign exchange earned and outgo are appended hereto and form part of this report.

#### **PARTICULARS OF EMPLOYEES**

There is no employee who is in receipt of remuneration in excess of the limits set under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee Rules 1975).

#### **DEMATERIALISATION AND SHARE TRANSFER**

The company's shares are traded compulsorily in the dematerialised form and is available for trading under National Securities Depositories Limited (NSDL) and Central Depositories Service (India) Limited (CDSL).

M/s. SKDC Consultants Limited, Coimbatore is the Company's transfer agent for both physical and electronic form of transfers.



## **CORPORATE GOVERNANCE**

In compliance with the requirements of Clause 49 of the Listing Agreement, a separate Report on Corporate Governance along with the Auditors Certificate on its compliance forms an integral part of this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 217 (2AA) of The Companies Act, 1956, your Directors have :

- a. followed in the preparation of the Annual Accounts, the applicable accounting standards.
- b. selected such accounting policies and applied them consistently and made judgements 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 financial position of the company for the period.
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d. prepared the attached statement of accounts for the year ended 31<sup>st</sup> March 2014 on a going concern basis.

## **COST AUDITOR**

As per the requirements of the Central Government and pursuant to the provisions of Section 233 B of the Companies Act, 1956, the audit of the Cost Accounts relating to manufacturing of Synthetic Yarn is being carried out for the financial year 31<sup>st</sup> March 2014. The Company has appointed Mr. G Sivagurunathan, Cost Auditor, Coimbatore to audit the cost accounts for the year 31<sup>st</sup> March 2014 for which necessary approval from the Central Government has been received. The Cost Audit Report in respect of financial year 2013-2014 will be filed on or before the due date.

Pursuant to section 290(1)(d) of the Companies Act, 1956 and Rule 5 of the Companies (Cost Audit Records) Rules, 2011, the Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2013 was submitted to the Central Government on 20.09.2013.

## **COMPLIANCE CERTIFICATE**

In accordance with Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from a secretary in whole time practice and a copy of such certificate is annexed to this Report

## **ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the Bankers, Government authorities, shareholders, suppliers and contractors for their support and co-operation extended to the Company.

By Order of the Board,

Place : Coimbatore

Date : 04.08.2014

**SANTOSSH. R**  
Managing Director

**VIMALA. R**  
Director



**ANNEXURE TO DIRECTORS' REPORT**

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

**FORM - A**

**A. CONSERVATION OF ENERGY**

Total Energy Consumption and Energy Consumption per unit of Production

|  |       | 31.03.2014 | 31.03.2013 |
|--|-------|------------|------------|
| <b>I. Electricity</b>                        |       |            |            |
| (a) Purchased                                | Units | 8308720    | 2449339    |
| Total Amount                                 | ₹     | 63915521   | 21244516   |
| Rate per unit (Average)                      | ₹     | 7.69       | 8.67       |
| (b) Private Power Purchased                  | Units | 1623914    | 341307     |
| Total Amount                                 | ₹     | 15064888   | 2543678    |
| Rate per unit (Average)                      | ₹     | 9.28       | 7.45       |
| (c) Own Generation                           |       |            |            |
| Through Diesel Generator                     | Units | 1701622    | 4372852    |
| Value of HSD                                 | ₹     | 24220688   | 49650975   |
| Rate per unit (Average)                      | Units | 14.23      | 11.35      |
| Cost per litre                               | ₹     | 53.33      | 42.04      |
| (d) Own Generation                           |       |            |            |
| Through Wind Mill                            | Units | 4682770    | 6032018    |
| Total Amount                                 | ₹     | 21214405   | 28143113   |
| Rate per unit                                | Units | 4.53       | 4.67       |
| <b>II. Consumption per kg. of production</b> |       |            |            |
| Yarn   | Kgs.  | 5724854    | 4848082    |
| Electricity Consumed                         | Units | 16317026   | 13195510   |
| Units per kg.                                |       | 2.85       | 2.72       |

**FORM - B**

**A. RESEARCH AND DEVELOPMENT**

The Company has no separate Research and Development Department.

**B. TECHNOLOGY ABSORPTION**

The Company is a member of Tamilnadu Spinning Mills Association and is able to get from the said Association, the recent developments in various segments of the Industry.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

| Particulars                       | 2013-14     | 2012-13   |
|-----------------------------------|-------------|-----------|
| (i) Expenditure on Foreign Travel | ₹ 114742    | 109628    |
| (ii) Foreign Exchange Earned      | ₹ 200969165 | 147532388 |

By Order of the Board,

Place : Coimbatore

Date : 04.08.2014

**SANTOSSH.R.**  
Managing Director

**VIMALA. R.**  
Director



Company Identification Number : L17111TZ1994PLC004929

Authorised Capital - ₹5,00,00,000/-

### SECRETARIAL COMPLIANCE CERTIFICATE

To,  
The Members  
M/s.Lambodhara Textiles Limited  
3A, B-Block, Pioneer Apartments  
1075-B, Avinashi Road  
Coimbatore – 641 018

I have examined the registers, records, books and papers of **Messrs. Lambodhara Textiles Limited** ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") and Companies Act, 2013 (wherever applicable) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2014 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate with Registrar of Companies, Coimbatore and Central Government within the time (except in one case) prescribed under the Act and the rules made thereunder. However, no forms or returns were required to be filed with the Regional Director, Company Law Board or other authorities.
3. The Company, being a Public Limited Company, has a paid up capital of ₹ 4,37,98,000/- (Rupees Four Crores Thirty Seven Lakhs Ninety Eight Thousand).
4. The Board of Directors duly met 12 times respectively on 30.05.2013, 28.06.2013, 02.08.2013, 12.08.2013, 16.08.2013, 04.11.2013, 11.11.2013, 09.12.2013, 17.01.2014, 10.02.2014, 03.03.2014 and 12.03.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 21.08.2013 to 26.08.2013 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 26.08.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting(s) was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Companies Act, 1956 and Section 185 of the Companies Act, 2013.





9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The duly constituted Committee has approved the issue of duplicate share certificates.
13. The Company has:
  - (i) delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act and has not made any allotment of securities during the financial year.
  - (ii) deposited the amount of dividend declared in a separate Bank Account on 27<sup>th</sup> August 2013 which is within 5 days from the date of declaration of such dividend.
  - (iii) paid/posted warrant(s) for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend have been kept in a separate Account.
  - (iv) no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be transferred to Investor Education and Protection Fund.
  - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has a Managing Director who has been appointed with effect from 26<sup>th</sup> September 2009 and complied with the provisions of the Act. Further during the year, the reappointment of Whole Time Director has been made in compliance with Section 269 of the Companies Act 1956 read with Schedule XIII thereof at the Annual General Meeting held on 26<sup>th</sup> August 2013 with effect from 1<sup>st</sup> October 2013.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has filed the requisite Form 23C for prior approval from Central Government for appointment of Cost Auditor pursuant to section 233B (2) of the Act vide SRN S21338710 dated 24.06.2013 and obtained necessary approval in a straight through process vide email dated 25<sup>th</sup> July 2013.

Other than above, the Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.



19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares or debentures during the financial year does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of section 58A read with Companies (Acceptance of Deposit) Rules, 1975 in respect of deposit accepted and the Company has filed the copy of Statement in lieu of Advertisement with Registrar of Companies, Coimbatore.
24. The amount borrowed by the Company from Banks and others are within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting held on 30<sup>th</sup> August 2012.
25. The Company has made investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. According to the information provided to me, no prosecution steps were initiated against or show cause notices received by the Company for alleged offences under the Companies Act, 1956 and no fines or penalties were paid or any other punishment imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. Since, Employees Provident Fund Act, 1952 is applicable to the Company, compliance of Section 418 does not arise.

Place : Coimbatore  
Date : 29.05.2014

Practicing Company Secretary: **M.D. SELVARAJ**  
C.P.No. : **411(FCS.960)**



## **ANNEXURE A - SECRETARIAL COMPLIANCE CERTIFICATE**

Lambodhara Textiles Limited

Company Identification Number : L17111TZ1994PLC004929

Authorised Capital - ₹5,00,00,000/-

### **REGISTERS AS MAINTAINED BY THE COMPANY**

1. Register of Charges under Section 143 & Copies of Instruments Creating Charge under Section 136
2. Register of Members under Section 150 and Index of Members under Section 151
3. Register and Returns under Section 163
4. Register of Particulars of Contracts in which Directors are Interested under Section 301(1) and under Section 301(3)
5. Register of Directors under Section 303
6. Register of Director's Shareholdings under Section 307
7. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules 1975
8. Minutes Book of Board Meetings under Section 193
9. Minutes Book of General Meeting under Section 193
10. Minutes Book of Share Transfer Committee.
11. Minutes Book of Audit Committee
12. Minutes Book of Remuneration Committee
13. Register of Renewed and Duplicate Certificates Under Rule 7 of the Companies (Issue of Share Certificate) Rules, 1960.
14. Register of Shareholders Attendance.
15. Register of Transfers.
16. Register of Proxies.
17. Register of Investments or Loans, Guarantee given or Security Provided under Section 372A



## ANNEXURE B - SECRETARIAL COMPLIANCE CERTIFICATE

Lambodhara Textiles Limited

Company Identification Number : L17111TZ1994PLC004929

Authorised Capital - ₹ 5,00,00,000/-

Forms and Returns as filed by the Company with Registrar of Companies, Coimbatore, Regional Director, Central Government or other authorities during the financial year ended 31<sup>st</sup> March 2014.

### REGISTRAR OF COMPANIES, COIMBATORE

| Sl. No | Form No. Return   | Filed under Section  | For  | Date of Filing & Receipt No. | Whether filed within prescribed time Yes/No | If Delay in filing whether requisite Additional fee paid Yes/No |
|--------|---|--|--|------------------------------|---|---|
| 01     | Form 62 (Return of Deposits) dated 31.03.2013                 | Section 58A & Rule 10 of the Companies (Acceptance of Deposit) Rules, 1975 | Return of deposits pursuant to rule 10 of the Companies (Acceptance of Deposits) Rules, 1975 for the financial year 31.03.2013   | 26.06.2013<br>B78039328      | Yes   | NA  |
| 02     | Form 8 dated 01.07.2013                                       | Section 135  | Particulars for modification of charge created in favour of State Bank of India, Tirupur Branch under Charge ID 90001936 to record and register the Inter Se Pari Passu Agreement entered between Bank of India and State Bank of India.   | 09.07.2013<br>B78977238      | Yes   | NA  |
| 03     | Form 62 (Statement in Lieu of Advertisement) dated 30.05.2013 | Section 58A & Rule 4A of the Companies (Acceptance of Deposit) Rules, 1975 | Statement in Lieu of Advertisement for accepting deposits  | 27.07.2013<br>B80363484      | Yes   | NA  |
| 04     | Form 8 dated 01.07.2013                                       | Section 135  | Particulars for modification of charge created in favour of Bank of India, Coimbatore Main Branch under Charge ID 10355198 to record and register the Inter Se Pari Passu Agreement entered between Bank of India and State Bank of India. | 31.07.2013<br>B80602329      | Yes   | NA  |



| Sl. No | Form No. Return           | Filed under Section         | For  | Date of Filing & Receipt No.   | Whether filed within prescribed time Yes/No | If Delay in filing whether requisite Additional fee paid Yes/No |
|--------|---------------------------|-----------------------------|--|--------------------------------|---|---|
| 05     | Form 8 dated 05.08.2013   | Section 135                 | Particulars for modification of charge created in favour of State Bank of India, Tirupur Branch under Charge ID 90001936 for enhancement of overall credit facilities from ₹ 56.12 Crores to ₹ 59.12 Crores.   | <u>02.09.2013</u><br>B83354225 | Yes   | NA  |
| 06     | Form 20A dated 26.08.2013 | Section 149(2A)             | Declaration of Compliance for Commencement of new business as enumerated in sub clause 7,11 and 18 of Object Clause III (C) of the Memorandum of Association of the Company  | <u>07.09.2013</u><br>B83806521 | Yes   | NA  |
| 07     | Form 23 dated 26.08.2013  | Sections 192, 269 & 149(2A) | Registration of the Special resolutions passed by the shareholders at the AGM held on 26.08.2013 for re-appointment and revision in remuneration of Ms.Bosco Giulia, Whole Time Director and Commencement of new business as enumerated in sub clause 7, 11 and 18 of Object Clause III (C) of the Memorandum of Association | <u>07.09.2013</u><br>B83806141 | Yes   | NA  |
| 08     | Form 66 for 31.03.2013    | Section 383A                | Secretarial Compliance Certificate dated 30.05.2013  | <u>07.09.2013</u><br>Q10895233 | Yes   | NA  |
| 09     | Form 32 dated 01.10.2013  | Section 303                 | Particulars of appointment of Ms.Bosco Giulia as Whole – Time Director of the company with effect from 01.10.2013  | <u>09.10.2013</u><br>B86396926 | Yes   | NA  |
| 10     | Form 25C dated 01.10.2013 | Section 269 & Schedule XIII | Return of appointment of Ms. Bosco Giulia as Whole - time Director of the company with effect from 01.10.2013  | <u>09.10.2013</u><br>B86396223 | Yes   | NA  |



| Sl. No | Form No. Return                               | Filed under Section   | For   | Date of Filing & Receipt No. | Whether filed within prescribed time Yes/No | If Delay in filing whether requisite Additional fee paid Yes/No |
|--------|---|---|---|------------------------------|---|---|
| 11     | Form 20Bfor 31.03.2013                        | Section 159& Schedule V   | Annual Return made upto 26.08.2013  | 09.10.2013<br>Q12801155      | Yes   | NA  |
| 12     | Form 23AC – XBRL & 23ACA- XBRL for 31.03.2013 | Section 220   | Balance Sheet, Statement of Profit & Loss in XBRL as on 31 <sup>st</sup> March 2013 along with the Notice convening AGM   | 06.11.2013<br>Q22347967      | No  | Yes   |
| 13     | *Form 5 INVfor the financial year 31.03.13    | Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 | Statement of unclaimed and unpaid dividend as on 26.08.2013   | 23.11.2013<br>S27982321      | Yes   | NA  |
| 14     | Form 5 INVfor the financial year 31.03.13     | Rule 3 of the Investor Education and ProtectionFund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012  | Statement of unclaimed and unpaid dividend as on 26.08.2013   | 14.02.2014<br>S29307220      | Yes   | NA  |
| 15     | Form 8 dated 06.03.2014                       | Section 135   | Particulars for modification of charge created in favour of Bank of India, Coimbatore Main Branch under Charge ID 10355198 due to enhancement of credit limit from Rs.10.43 Crores to Rs.16.33 Crores | 27.03.2014<br>C00858654      | Yes   | NA  |

\* Form rejected





**REGIONAL DIRECTOR**

**Nil**

**CENTRAL GOVERNMENT & OTHER AUTHORITIES**

| Sl. No | Form No. Return                | Filed under Section   | For  | Date of Filing & Receipt No. | Whether filed within prescribed time Yes/No | If Delay in filing whether requisite Additional fee paid Yes/No |
|--------|--------------------------------|---|--|------------------------------|---|---|
| 01     | Form 23C Dated 30.05.2013      | Section 233B (2)  | Application to the Central Government for appointment of Mr. G. Sivagurunathan Cost Auditor for the financial year 31.03.2014. | 24.06.2013<br>S21338710      | Yes   | NA  |
| 02     | Form I – XBRL Dated 30.05.2013 | Section 233B(4) & Companies (Cost Audit Report) Rules, 2011 | Documents in respect of Cost Audit Report in XBRL for the year ended 31.03.2013  | 20.09.2013<br>S22390009      | No  | NA  |

Place : Coimbatore  
Date : 29.05.2014

Practicing Company Secretary: **M.D.SELVARAJ**  
C.P.No. : **411(FCS.960)**



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

M/s. Lambodhara Textiles Limited's philosophy on Corporate Governance is to ensure that its obligations are discharged in a fair and a transparent manner.

### 2. BOARD OF DIRECTORS

#### a. Composition of the Board :

As on 31<sup>st</sup> March 2014, the Company's Board comprised of 6 Directors. The Board comprises of two Executive Promoter Directors, one Non-Executive Promoter Director and three Independent Non-Executive Directors. The members of the Board are well experienced. The day-to-day management affairs are managed by the Managing Director subject to the supervision, control and direction of the Board of Directors. The composition of the Company's Board is in conformity with Clause 49 of the Listing Agreement.

#### b. Category of Directors, Attendance, other Directorships and Committee membership:

The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the financial period ended 31<sup>st</sup> March 2014 is as under:-

| Name of the Director  | Category                    | Attendance Particulars |          | No. of directorship in other public companies # | No. of Committee Positions held in other companies \$ |        |
|-----------------------|-----------------------------|------------------------|----------|---|---|--------|
|                       |                             | Board Meeting          | Last AGM |   | Chairman  | Member |
| Mr. Santossh. R       | Managing Director-Promoter  | 11                     | Yes      | -   | -   | -      |
| Ms. Vimala. R         | Non-Executive Promoter      | 12                     | Yes      | 1   | -   | -      |
| Ms. Giulia Bosco      | Executive Director-Promoter | 12                     | Yes      | 1   | -   | -      |
| Mr. Deepak P Malani   | Non-Executive Independent   | 5                      | Yes      | -   | -   | -      |
| Mr. Vasthupal R Mehta | Non-Executive Independent   | 5                      | -        | -   | -   | -      |
| Mr. Girish. G Radia   | Non-Executive Independent   | 5                      | -        | -   | -   | -      |

# Excludes Directorships in Private Companies and Foreign Companies

\$ Only Audit Committee and Investor Grievance Committee are considered.

Mr. R. Santossh, Ms. R. Vimala and Ms. Giulia Bosco are related inter-se.



### **Details of the Board meetings held during the financial year 2013-2014**

The Board met Twelve times during the financial year on 30<sup>th</sup> May 2013, 28<sup>th</sup> June 2013, 2<sup>nd</sup> August 2013, 12<sup>th</sup> August 2013, 16<sup>th</sup> August 2013, 4<sup>th</sup> November 2013, 11<sup>th</sup> November 2013, 9<sup>th</sup> December 2013, 17<sup>th</sup> January 2014, 10<sup>th</sup> February 2014, 3<sup>rd</sup> March 2014 and 12<sup>th</sup> March 2014 and the gap between the meetings did not exceed four months.

### **3. AUDIT COMMITTEE**

The Audit Committee is mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with Stock Exchanges. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and Internal Auditors and meet with them to discuss their findings, suggestions, and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors.

During the financial year ended 31<sup>st</sup> March 2014, Four Audit Committee Meetings were held on 30<sup>th</sup> May 2013, 12<sup>th</sup> August 2013, 11<sup>th</sup> November 2013 and 10<sup>th</sup> February 2014. The necessary quorum was present at these meetings.

The composition of the Audit Committee and the details of meetings attended by the Members are as follows:

| Name of the Members   | Category                  | Designation | No. of Meetings |          |
|-----------------------|---------------------------|-------------|-----------------|----------|
|                       |                           |             | Held            | Attended |
| Mr. Deepak P Malani   | Non-Executive Independent | Chairman    | 4               | 4        |
| Mr. Vasthupal R Mehta | Non-Executive Independent | Member      | 4               | 4        |
| Mr. Girish G Radia    | Non-Executive Independent | Member      | 4               | 4        |

The Internal Auditor and the Statutory Auditors of the Company are permanent invitees to the meetings of the audit committee. The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the financial period ended 31<sup>st</sup> March 2014, before it was placed in the Board.

### **4. REMUNERATION COMMITTEE**

The Committee is entrusted to determine and recommend to the Board the remuneration and perquisites payable to the Whole time Directors based on overall performance and financial results of the Company during the relevant financial period and in consonance with the existing industrial practice.

The Committee would basically look into and determine the Company's policy on remuneration packages to the Whole time Directors.

During the year, One meeting of the Remuneration Committee was held on 30<sup>th</sup> May 2013. The details of the composition and attendance of the members of the Remuneration Committee are as follows:



**a. Composition, Name of Members and Chairman and details of meeting attended.**

| Name of the Member             | Status                     | 30.05.2013 |
|--------------------------------|----------------------------|------------|
| Mr. Deepak P Malani (Chairman) | Non-Executive- Independent | Yes        |
| Mr. Vasthupal R Mehta          | Non-Executive- Independent | Yes        |
| Mr. Girish G Radia             | Non-Executive- Independent | Yes        |

Details of Remuneration paid to the Managing Director and Whole time Director of the Company during the financial period ended 31<sup>st</sup> March 2014.

| Name                      | Mr. R. Santossh   | Ms. Guilia Bosco    |
|---------------------------|-------------------|---------------------|
| Designation               | Managing Director | Whole Time Director |
| Salary                    | ₹ 7.80 lacs       | ₹ 8.40 lacs         |
| Perquisites and allownces | ₹ 1.34 lacs       | ₹ 1.44 lacs         |
| Total Remuneration        | ₹ 9.14 lacs       | ₹ 9.84 lacs         |

**b. Non Executive Directors:**

The Company does not pay Sitting fees to Non-Executive Directors for attending Board Meetings, Audit Committee Meetings, and Shareholders / Investors Relations Committee Meetings.

**c. The Company does not have any Employee Stock Option Scheme.**

**d. Shareholding of Non Executive Directors**

| Name of the Director      | No of Shares held (as on 31.03.2014) |
|---------------------------|--------------------------------------|
| Mr. Deepak P Malani       | Nil                                  |
| Mr. Vasthupal R Metha     | Nil                                  |
| Mr. Girish G Radia        | Nil                                  |
| Mrs. Vimala Radhakrishnan | 21,000                               |

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non Executive Independent Directors during the period.

**5. INVESTORS RELATIONS COMMITTEE**

The Shareholders and Investors Grievance Committee of the Board is empowered to oversee the re-addressal of investors' complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. The committee also approved transfer, transmission, transposition, consolidation, split, name deletion and issue of duplicate share certificates.

In addition, the Committee looks into other issues including status of dematerialization / re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.



The Shareholders/Investors Grievance Committee consists of the following Directors.

| Name of the Member    | Category                  | Designation | No. of Meetings Attended |
|-----------------------|---------------------------|-------------|--------------------------|
| Mr. Deepak P Malani   | Non-Executive Independent | Chairman    | 10                       |
| Mr. Vasthupal R Mehta | Non-Executive Independent | Member      | 5                        |
| Mr. Girish G Radia    | Non-Executive Independent | Member      | 10                       |

During the year under review, the Committee met 10 times to deliberate on various matters referred above and for redressal of investors complaints.

Mr. Ramesh Shenoy. K, Chief Financial Officer is the Compliance Officer of the Company. The minutes of the Investors Relations committee were placed before the board meeting for due ratification and approval.

At the beginning of the year, no complaint was pending. During the year ended 31<sup>st</sup> March, 2014, the Company has not received any complaints from the shareholders. No investor complaint was pending on 31<sup>st</sup> March, 2014.

#### **Management Discussion and Analysis Report:**

The contents of the Management Discussion and Analysis Report have been included in the Directors' Report at the appropriate places and thus the said report forms part of the annual report.

#### **6. GENERAL BODY MEETINGS**

Location and time where the last three Annual General Meetings were held and details of the special resolutions passed at the last three Annual General Meetings held:

| Details of meeting               | Date of Meeting | Time of Meeting | Venue of meeting   | Special Resolution   |
|----------------------------------|-----------------|-----------------|--|--|
| Annual General Meeting 2010-2011 | 04.07.2011      | 12.30 P.M.      | The Chambers<br>The Coimbatore Club,<br>East Club Road,<br>Coimbatore - 641 018.   | -  |
| Annual General Meeting 2011-2012 | 30.08.2012      | 10.30 P.M.      | The Coimbatore<br>Cosmopolitan Club,<br>200, Race Course,<br>Coimbatore - 641 018. | Revision in remuneration of Mrs. Giulia Bosco, Whole time Director |



| Details of meeting               | Date of Meeting | Time of Meeting | Venue of meeting  | Special Resolution   |
|----------------------------------|-----------------|-----------------|---|--|
| Annual General Meeting 2012-2013 | 26.08.2013      | 12 Noon         | The Coimbatore Cosmopolitan Club, 200, Race Course, Coimbatore - 641 018. | <p>Revision in remuneration of Mrs. Giulia Bosco, Whole time Director</p> <p>Re-appointment of Mrs. Giulia Bosco as Whole time Director for a period of five years from 01.10.2013</p> <p>Commencement of business as enumerated in sub clause 7, 11 and 18 of the object clause III(C) of the Memorandum of Association</p> |

No Special Resolutions were put through postal ballot last year and there is no proposal for this year.

## 7. DISCLOSURES:

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large

Kindly refer to the notes forming part of accounts for the details of related party transactions. There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

- (ii) Details of non-compliance by the company, penalties, strictures imposed on the company by any Statutory Authorities, during the last three years

The Company has complied with all the requirements of the listing agreement of the stock exchange as well as regulations and guidelines of SEBI. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets in the last three years.

- (iii) Notes on Whistle Blower Policy

The Company does not have any Whistle Blower policy. However any employee, if he / she so desires, would have free access to meet Senior Level Management and Report any matter of concern.

- (iv) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of Clause 49

The Company has complied with all the mandatory requirement of corporate governance norms as enumerated in Clause 49 of the Listing Agreement with the stock exchanges.



The Company has adopted the non mandatory requirement of corporate governance recommended under Clause 49 of the Listing Agreement and constituted a remuneration committee comprising of three Non Executive Directors. The Company has not adopted any other non- mandatory requirements.

## **8. CODE OF CONDUCT**

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31<sup>st</sup> March, 2014.

The Company's Managing Director's declaration to this effect forms a part of this report.

### **Code for prevention of Insider Trading**

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors / officers / designated employees. The Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

### **CEO / CFO certification**

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49 (V) of the Listing Agreement.

## **9. MEANS OF COMMUNICATION:**

The quarterly / annual financial results of the Company are published in Business Line (English) and Daily Thanthi (Tamil). The financial results and the annual reports of the Company are uploaded in the Company's website: [www.lambodharatextiles.com](http://www.lambodharatextiles.com) and in the website : [www.bseindia.com](http://www.bseindia.com).

There were no specific presentations made to Institutional Investors or to analysts during the period ended 31<sup>st</sup> March 2014.

## **10. GENERAL SHAREHOLDER INFORMATION**

### **(i) Twentieth Annual General Meeting**

|       |   |
|-------|---|
| Date  | : 11 <sup>th</sup> September 2014                                     |
| Time  | : 11.00 a.m,  |
| Venue | : Vibha, The Grand Regent<br>708, Avinashi Road, Coimbatore - 641 018 |

### **(ii) Financial Calendar:**

|                        |  |
|------------------------|--|
| Year Ending            | : 31 <sup>st</sup> March 2015                    |
| First Quarter Results  | : 1 <sup>st</sup> week of August 2014            |
| Second Quarter Results | : 1 <sup>st</sup> week of November 2014          |
| Third Quarter Results  | : 1 <sup>st</sup> week of February 2014          |
| Annual Results         | : 4 <sup>th</sup> week of May 2015               |
| Dividend Payment Date  | : 17.09.2014                                     |
| Date of Book Closure   | : 08.09.2014 to 11.09.2014 (Both days inclusive) |





**Listing on Stock Exchanges**

: Madras Stock Exchange Ltd  
Ahmedabad Stock Exchange Ltd.,

**Stock Code**

Stock Code - BSE IndoNext  
Scrip ID - BSE IndoNext

: 590075  
: LAMBODHARA

**International Security Identification Number**

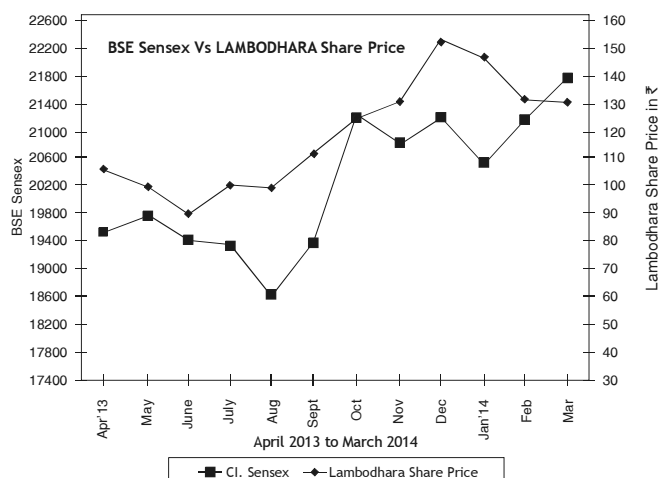
: INE112F01014

**Listing and Custodial Fee**

: Annual Listing Fees for the year 2014-15 were paid to Madras Stock Exchange Limited and Ahmedabad Stock Exchange Limited. The Company's shares are traded in "BSE IndoNext" platform of Bombay Stock Exchange Limited. Custodial Fees to Depositories for the year 2014-15 were paid to National Securities Depository Limited and Central Depository Services (India) Limited.

**STOCK MARKET DATA : BSE IndoNext**

| Month   | High Price ₹ | Low Price ₹ |
|---------|--------------|-------------|
| Apr'13  | 105.75       | 78.90       |
| May'13  | 99.35        | 76.25       |
| June'13 | 89.80        | 78.00       |
| July'13 | 100.00       | 82.10       |
| Aug'13  | 99.00        | 84.50       |
| Sep'13  | 111.15       | 90.00       |
| Oct'13  | 124.00       | 88.00       |
| Nov'13  | 130.00       | 108.75      |
| Dec'13  | 152.00       | 117.80      |
| Jan'14  | 146.00       | 128.00      |
| Feb'14  | 131.00       | 107.00      |
| Mar'14  | 129.00       | 101.60      |



**Registrar & Share Transfer Agent: (For both physical & demat segments)**

M/s.SKDC Consultants Limited

Kanapathy Towers, III Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006

Phone: +91 422 6549995, 2539835-836 Fax: +91 422 2539837

Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com) Website: [www.skdc-consultants.com](http://www.skdc-consultants.com).

**Reconciliation of Share Capital Audit**

A qualified Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.



### Share Transfer System

The company's shares being in compulsory dematerialised (demat) list are transferable through the depository system. Shares in physical form are processed by the registrar and share transfer agents, M/s. SKDC Consultants Limited, and approved by the investor relation committee of the Company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by M/s. SKDC Consultants Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The investors' relation committee generally meets whenever necessary for approving share transfers and other related activities.

Legal proceedings/ disputes on share transfer against the company : Nil

### Shareholding Pattern as on 31.03.2014

| Shares held by                | No of Holders | No of Shares   | % of shareholding |
|-------------------------------|---------------|----------------|-------------------|
| Promoters and Promoters Group | 5             | 2967553        | 67.76             |
| Foreign                       | -             | -              | -                 |
| FII                           | -             | -              | -                 |
| Bodies Corporate              | 18            | 384783         | 8.79              |
| Public                        | 747           | 883561         | 20.17             |
| Non Resident Indians          | 2             | 41565          | 0.95              |
| Clearing Member               | 8             | 4963           | 0.11              |
| Hindu Undivided Families      | 17            | 97375          | 2.22              |
| <b>Total</b>                  | <b>797</b>    | <b>4379800</b> | <b>100.00</b>     |

### Distribution of Shareholding as on 31.03.2014:

| Shareholding range | No of Holders | % of share holders | No of Shares   | % of share holding |
|--------------------|---------------|--------------------|----------------|--------------------|
| 1 - 500            | 521           | 65.38              | 144036         | 3.30               |
| 501 - 1000         | 136           | 17.06              | 123656         | 2.82               |
| 1001 - 2000        | 78            | 9.79               | 132600         | 3.03               |
| 2001 - 3000        | 15            | 1.88               | 39539          | 0.90               |
| 3001 - 4000        | 4             | 0.50               | 13750          | 0.31               |
| 4001 - 5000        | 17            | 2.13               | 81413          | 1.86               |
| 5001 - 10000       | 9             | 1.13               | 61449          | 1.40               |
| 10001 and above    | 17            | 2.13               | 3783357        | 86.38              |
|                    | <b>797</b>    | <b>100.00</b>      | <b>4379800</b> | <b>100.00</b>      |



**Dematerialisation of shares and liquidity as on 31<sup>st</sup> March 2014:**

The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility. The Company's shares being in compulsory dematerialised (demat) list are transferable through the depository system

| Particulars                            | No. of Holders | No. of Shares    | % of shareholding |
|--|----------------|------------------|-------------------|
| National Securities Depository Limited | 250            | 32,53,034        | 74.27             |
| Central Depository Services Limited    | 170            | 8,02,466         | 18.32             |
| Physical Form                          | 377            | 3,24,300         | 7.41              |
| <b>Total</b>                           | <b>797</b>     | <b>43,79,800</b> | <b>100.00</b>     |

The Company's shares are regularly traded on BSE IndoNext.

**Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity.**

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

**Plant location:**

826, Thazhaiyuthu, Palani Taluk – 624 618.

Unit II – SKC House,

Vinayagar Kovil Street, Neikarapatti, Palani – 624 615.

Windmill Installed at:

SF No. 13/1(P) Koodankulam Village, Radhapuram Taluk, Tirunelveli District.

SF No. 1051/1, Kundadam Village, Dharapuram Taluk Tirupur District

**Address for Communication:**

For annual report, transfer of physical/ demat shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to:

M/s. SKDC Consultants Limited,

Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006

Phone: +91 422 6549995, 2539835-836 Fax: +91 422 2539837

Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com) Website: [www.skdc-consultants.com](http://www.skdc-consultants.com).

**Contact address for Shareholder:**

Secretarial Department, Lambodhara Textiles Limited, CIN: L17111TZ1994PLC004929

3A, 3<sup>rd</sup> Floor, 'B Block' Pioneer Apartments, 1075 – B, Avinashi Road, Coimbatore – 641018.

Telefax : +91-422-2249038 & 4351083,

Email : [info@lambodharatextiles.com](mailto:info@lambodharatextiles.com) Website Address : [www.lambodharatextiles.com](http://www.lambodharatextiles.com)



### **Declaration for code of conduct**

I hereby affirm and state that all board members and senior management personnel of the company have given a declaration pursuant to clause 49(I) (D) of the Listing Agreement and I hereby affirm compliance with the said code of conduct for the financial year 2013-2014.

Place : Coimbatore  
Date : 29.05.2014

By Order of the Board,  
(Sd/-) **SANTOSSH. R**  
Managing Director

### **CERTIFICATE**

#### **To the members of M/s. Lambodhara Textiles Limited.**

We have examined the compliance of conditions of Corporate Governance by M/s.Lambodhara Textiles Limited, for the year ended on 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Investors' Relation Committee.

We further state that such compliance is either an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **MOHAN & VENKATARAMAN**  
Chartered Accountants  
FRN : 007321S

(Sd/-) **R.MOHAN**  
Partner  
M.No.201229

Place : Coimbatore  
Date : 29.05.2014



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LAMBODHARA TEXTILES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of *Lambodhara Textiles Limited* ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the financial statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

#### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;



- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-Section (4A) of section 227 of the Act (hereinafter referred to as the "order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.

**For Mohan & Venkataraman**  
**Chartered Accountants**  
**FRN: 007321S**  
(sd/-)

**R.Mohan**  
**Partner**

Place : Coimbatore  
Date : 29.05.2014

Membership No.:201229



## ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 1 of the Auditors Report of even date to the members of Lambodhara Textiles Limited on the financial statements of the company for the year ended 31<sup>st</sup> March, 2014.

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
(b) Fixed Assets have been physically verified by the Management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies noticed on such physical verification were not material.  
(c) No substantial part of Fixed Assets has been disposed off during the year, which has bearing on the going concern assumption.
- 2 (a) The Inventory of the Company at all its locations (except stocks lying with third parties and in transit, confirmation / subsequent receipt have been obtained in respect of such inventory) have been physically verified by the Management at reasonable intervals.  
(b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. (a) The Company has taken loan from parties listed in the register maintained under Section 301 of the companies Act, 1956 and the rate of interest and other terms and conditions of loan are not prima facie prejudicial to the interest of the company.  
During the year, interest free Loan of ₹ 1,16,78,155 is received from Managing Director, Loan outstanding balance is ₹ 4,91,10,564. (Maximum amount outstanding is ₹ 5,33,31,263).  
During the year, interest free loan of ₹ 2,00,000 is received from one of the Director, loan outstanding balance is ₹ 49,00,050. (Maximum amount outstanding is ₹ 49,00,050).  
(b) The Company has not given any loan to parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board in this regard. The Company has not accepted deposits during the year as defined under section 58AA of the Companies Act, 1956 and the rules made there under.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.





8. The company has maintained the cost records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956; however, we have not made detailed examination of such records.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Excise Duty, Cess and any other statutory dues have been regularly deposited during the year with the appropriate authorities though there were some delay in remitting the dues. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March 2014.
- (b) In our opinion and according to the information and explanations given to us, there are no dues in respect of Income tax, Wealth tax, Sales tax and Excise Duty that have not been deposited on account of any dispute except

| Nature of the Dues | Amount   | Forum where dispute is pending |
|--------------------|----------|--------------------------------|
| ESI                | ₹ 562780 | Employee Insurance Court.      |

10. The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of any dues to financial institutions or banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore, the clause 4 (xiii) of the Order is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion, according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
16. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
17. On the basis of an overall examination of the Balance sheet of the Company, no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Company Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and on the basis of information and explanations provided by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Mohan & Venkataraman**  
**Chartered Accountants**  
**FRN: 007321S**

(sd/-)

**R.Mohan**  
**Partner**

Place : Coimbatore  
Date : 29.05.2014

Membership No.:201229

**BALANCE SHEET AS AT 31<sup>st</sup> March 2014**

| Particulars                                  | Note No. | As at 31 <sup>st</sup> March 2014 | As at 31 <sup>st</sup> March 2013 |
|--|----------|-----------------------------------|-----------------------------------|
| <b>I EQUITY AND LIABILITIES</b>              |          | <b>₹ in '000</b>                  | <b>₹ in '000</b>                  |
| 1. SHARE HOLDERS FUNDS                       |          |                                   |                                   |
| a) Share Capital                             | 1        | 43,798                            | 43,798                            |
| b) Reserves and Surplus                      | 2        | 195,385                           | 165,122                           |
| c) Monies Received against Share Warrants    |          | -                                 | -                                 |
|  |          | <u>239,183</u>                    | <u>208,920</u>                    |
| 2. SHARE APPLICATION MONEY PENDING ALLOTMENT |          | -                                 | -                                 |
| 3. NON CURRENT LIABILITIES                   |          |                                   |                                   |
| a) Long-term borrowings                      | 3        | 403,401                           | 426,660                           |
| b) Deferred tax liabilities (net)            |          | 41,741                            | 44,232                            |
| c) Other Long term liabilities               |          | -                                 | -                                 |
| d) Long-term provisions                      | 4        | <u>2,871</u>                      | <u>1,648</u>                      |
|  |          | <u>448,013</u>                    | <u>472,540</u>                    |
| 4. CURRENT LIABILITIES                       |          |                                   |                                   |
| a) Short-term borrowings                     | 5        | 174,325                           | 165,200                           |
| b) Trade payables                            |          | 17,698                            | 20,670                            |
| c) Other current liabilities                 | 6        | 91,133                            | 65,134                            |
| d) Short-term provisions                     | 7        | <u>16,837</u>                     | <u>20,426</u>                     |
|  |          | <u>299,993</u>                    | <u>271,430</u>                    |
| <b>TOTAL</b>                                 |          | <b><u>987,189</u></b>             | <b><u>952,890</u></b>             |
| <b>II ASSETS</b>                             |          |                                   |                                   |
| 1. NON CURRENT ASSETS                        |          |                                   |                                   |
| a) Fixed assets                              | 8        |                                   |                                   |
| i) Tangible assets                           |          | 620,105                           | 591,052                           |
| ii) Intangible assets                        |          | -                                 | -                                 |
| iii) Capital work-in-progress                |          | <u>16,555</u>                     | <u>47,454</u>                     |
|  |          | <u>636,660</u>                    | <u>638,506</u>                    |
| b) Non-current investments                   | 9        | 1,200                             | -                                 |
| c) Long-term loans and advances              | 10       | 27,965                            | 22,904                            |
| d) Other non-current assets                  |          | -                                 | -                                 |
|  |          | <u>665,825</u>                    | <u>661,410</u>                    |
| 2. CURRENT ASSETS                            |          |                                   |                                   |
| a) Current investments                       |          | -                                 | -                                 |
| b) Inventories                               | 11       | 108,793                           | 116,950                           |
| c) Trade receivables                         | 12       | 153,560                           | 113,871                           |
| d) Cash and cash equivalents                 | 13       | 6,480                             | 6,861                             |
| e) Short-term loans and advances             | 14       | 38,813                            | 38,827                            |
| f) Other current assets                      | 15       | <u>13,718</u>                     | <u>14,971</u>                     |
|  |          | <u>321,364</u>                    | <u>291,480</u>                    |
| <b>TOTAL</b>                                 |          | <b><u>987,189</u></b>             | <b><u>952,890</u></b>             |

Significant Accounting Policies and Notes on accounts form part of these financials 25

Vide Our Report of even date for **MOHAN & VENKATARAMAN**  
Chartered Accountants  
FRN : 007321S

(Sd/-) **R.MOHAN**  
Partner  
M.No.201229

Place : Coimbatore  
Date : 29.05.2014

(Sd/-) **SANTOSSH. R**  
Managing Director

(Sd/-) **VIMALA. R**  
Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> March 2014**

| Particulars   | Note No. | As at 31 <sup>st</sup> March 2014 | As at 31 <sup>st</sup> March 2013 |
|---|----------|-----------------------------------|-----------------------------------|
|   |          | <b>₹ in '000</b>                  | <b>₹ in '000</b>                  |
| I. REVENUE FROM OPERATIONS  | 16       | 1,120,911                         | 978,137                           |
| II. OTHER INCOME  | 17       | 4,847                             | 2,065                             |
| <b>III. TOTAL REVENUE (I+II)</b>  |          | <b>1,125,758</b>                  | <b>980,202</b>                    |
| IV. EXPENSES  |          |                                   |                                   |
| Cost of Material Consumed   | 18       | 716,537                           | 586,260                           |
| Purchase of Stock in Trade  | 19       | -                                 | 33,920                            |
| Changes in inventories of finished goods,   |          |                                   |                                   |
| Work in progress and Stock in Trade   | 20       | (2,851)                           | 172                               |
| Employee Benefits Expenses  | 21       | 40,069                            | 31,577                            |
| Finance Costs   | 22       | 63,325                            | 63,334                            |
| Depreciation and amortisation expenses  |          | 54,167                            | 45,452                            |
| Other Expenses  | 23       | 213,348                           | 167,499                           |
| <b>Total Expenses</b>   |          | <b>1,084,595</b>                  | <b>928,214</b>                    |
| V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX                        |          | <b>41,163</b>                     | <b>51,988</b>                     |
| VI. TAX EXPENSE   |          |                                   |                                   |
| Current Tax   |          | 8,268                             | 12,554                            |
| Deferred Tax  | 24       | (2,491)                           | 7,295                             |
| VII PROFIT OR (LOSS) FOR THE YEAR (V) - (VI)  |          | 35,387                            | 32,139                            |
| VIII.EARNINGS PER SHARE   |          | 8.08                              | 7.34                              |
| Significant Accounting Policies and Notes on accounts form part of these financials | 25       |                                   |                                   |

Vide Our Report of even date for **MOHAN & VENKATARAMAN**  
Chartered Accountants  
FRN : 007321S

(Sd/-) **R.MOHAN**  
Partner  
M.No.201229

Place : Coimbatore  
Date : 29.05.2014

(Sd/-) **SANTOSSH.R**  
Managing Director

(Sd/-) **VIMALA.R**  
Director



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1 - SHARE CAPITAL

| Particulars   | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| <b>a) Authorised</b>  |  |  |
| 5000000 Equity shares (P.Y. 5000000) of<br>₹ 10 each with voting rights | 50000  | 50000  |
| <b>b) Issued</b>  |  |  |
| 4379800 Equity shares (P.Y. 4379800) of<br>₹ 10 each with voting rights | 43798  | 43798  |
| <b>c) Subscribed and fully paid up</b>                                  |  |  |
| 4379800 Equity shares (P.Y. 4379800) of<br>₹ 10 each with voting rights | 43798  | 43798  |
| <b>Total</b>  | <b>43798</b>                                   | <b>43798</b>                                   |

## Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| Particulars                                     | As at 31 <sup>st</sup> March 2014<br>No. of Shares | As at 31 <sup>st</sup> March 2013<br>No. of Shares |
|---|--|--|
| Shares outstanding at the beginning of the year | 4379800  | 4379800  |
| Shares outstanding at the end of the year       | 4379800  | 4379800  |

## Details of Share Holders Holding more than 5% shares

| Class of Shares /<br>Name of Shareholder  | As at 31 <sup>st</sup> March 2014<br>No. of<br>Shares | %<br>holding | As at 31 <sup>st</sup> March 2013<br>No. of<br>Shares | %<br>holding |
|---|---|--------------|---|--------------|
| The company has only one class of equity shares having at par value of ₹ 10 per share. Each share holder is eligible for one vote per share |   |              |   |              |
| Pudumjee Investment & Finance Co Limited  | 276926  | 6.32         | 0.00  | 0.00         |
| Shri. Santosh. R  | 1283253   | 29.30        | 1314753   | 30.02        |
| Strike Right Integrated Services Limited  | 1460300   | 33.34        | 1460300   | 33.34        |

## NOTE 2 - RESERVES AND SURPLUS

| Particulars                                  | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| <b>(a) Revaluation reserve</b>               |  |  |
| As per last balance sheet                    | 76901  | 76901  |
| Closing balance                              | <b>76901</b>                                   | <b>76901</b>                                   |
| <b>(b) Other reserve</b>                     |  |  |
| <b>General reserve</b>                       |  |  |
| Opening balance                              | 5110   | 4300   |
| Add: Additions during the year               | 890  | 810  |
| Less: Utilised / transferred during the year | -  | -  |
| Closing balance                              | <b>6000</b>                                    | <b>5110</b>                                    |



| Particulars  | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| <b>c) Surplus in Statement of Profit and Loss</b>                                  |  |  |
| Opening balance  | 83112  | 56907  |
| Add: Profit (loss) for the year  | 35387  | 32139  |
| Transfer to General reserve  | 890  | 810  |
| Proposed Dividend on Equity Shares<br>(Dividend Per Share ₹ 1 (Previous Year ₹ 1)) | 4380   | 4380   |
| Tax on Dividend  | 744  | 746  |
| Closing balance  | <b>112484</b>                                  | <b>83112</b>                                   |
| <b>Total</b>   | <b>195385</b>                                  | <b>165122</b>                                  |

**NOTE 3 - LONG TERM BORROWINGS**

| Particulars                                       | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| <b>a) Secured</b>                                 |  |  |
| Term Loans from banks                             | 325630   | 349184   |
| Long term maturities of finance lease obligations | 4261   | 3655   |
| <b>b) Unsecured</b>                               |  |  |
| Deposits  | 19500  | 19500  |
| Loans and advances from related parties           | 54011  | 54321  |
| <b>Total</b>                                      | <b>403402</b>                                  | <b>426660</b>                                  |

**Bank borrowings of term loan and working capital**

- 3.1. TUFs Term loan - I from State Bank of India is secured by First charge on entire assets created out of the term loan, Factory Land and building. Total outstanding as on 31.03.2014 is (₹ '000) 66600 (Previous year (₹ '000) 83100). Term Loan - I is payable in 91 installments commencing from April 2009. Last installment is due in October 2016.
- 3.2. TUFs Term loan - II from State Bank of India is secured by First charge on entire assets created out of the term loan including Windmill land. Total outstanding as on 31.03.2014 is (₹ '000) 95200 (Previous year ('000) ₹ 99900). Term Loan - II is payable in 109 installments commencing from October 2011. Last installment is due in October 2021.
- 3.3. TUFs Term loan - III from State Bank of India is secured by First charge on entire assets created out of the term loan. Total outstanding as on 31.03.2014 is (₹ '000) 41950 (Previous year ('000) ₹ 51190). Term Loan - III is payable in 72 installments commencing from October 2012. Last installment is due in September 2018.
- 3.4. Term loan - IV from State Bank of India is secured by first charge on entire assets created out of the term loan. Total outstanding as on 31.03.2014 is (₹ '000) 87618 (Previous year ('000) ₹ 84073). Term Loan - IV is payable in 84 installments commencing from October 2013. Last installment is due in September 2020.
- 3.5. Term loan - V from State Bank of India is secured by first charge on entire assets created out of the term loan. Total outstanding as on 31.03.2014 is (₹ '000) 27437 (Previous year (₹000) Rs.Nil. Term Loan - V is payable in 72 installments commencing from April 2014. Last installment is due in March 2020.
- 3.6. Term loan - I from Bank of India is secured by First charge on Windmill and Windmill Land. Total outstanding as on 31.03.2014 is (₹ '000) 60954 (Previous year ('000) ₹ 68658). Term



Loan I is payable in 108 installments commencing from March 2013. Last installment is due in Feb 2022.

- 3.7 Term loan - II from Bank of India is secured by first charge on entire assets created out of the term loan. Total outstanding as on 31.03.2014 is (₹ '000) 1313 (Previous year ('000) Rs.Nil. Term Loan - II is payable in 84 monthly installments commencing from 1 year after final disbursement.
- 3.8 Term loan - III from Bank of India is secured by Residential apartment purchased out of term loan. Total outstanding as on 31.03.2014 is (₹ '000) 7490 (Previous year ₹ Nil). Term Loan is payable in 137 installments commencing from April 2014. Last installment is due in Aug 2025
- 3.9 Two Directors have given personal guarantee and one of them had given personal assets as security for the loan from State Bank of India and no Guarantee commission has been paid to any directors in this connection. Three Directors have given personal guarantee and one of them had given personal assets as security for the loan from Bank of India and no Guarantee Commission has been paid to any Directors in this connection. Details of pledge of shares held by directors for availing loan facilities for the Company: The Managing Director has pledged 5.62 lakh shares of the Company held by him as collateral security for the loan sanctioned by State Bank of India and 5.25 lakh shares of the company held by him as collateral security for the loan sanctioned by Bank of India. Strikeright Integrated Services Limited has to give Corporated Guarantee for State Bank of India loan and no Guarantee Commission has been paid. One of the Director has given personal guarantee for the Residential property loan from Bank of India and no Guarantee Commission has been paid to the Director in this connection.
- 3.10 Installments falling due in respect of all the above Loans upto 31.03.2015 have been grouped under "Current maturities of long-term debt" (Refer Note 6 (a))

#### NOTE 4 - LONG TERM PROVISIONS

| Particulars                           | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>in ₹ 1000 |
|---------------------------------------|--|--|
| (a) Provision for employee benefits   |  |  |
| (i) Provision for gratuity (Unfunded) | 2871   | 1648   |
| <b>Total</b>                          | <b>2871</b>                                    | <b>1648</b>                                    |

#### NOTE 5 - SHORT TERM BORROWINGS

| Particulars                  | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|------------------------------|--|--|
| a) Loans repayable on demand |  |  |
| From banks (Secured)         |  |  |
| Foreign currency Loans       | -  | -  |
| Other Loans                  | 174325   | 165200   |
| <b>Total</b>                 | <b>174325</b>                                  | <b>165200</b>                                  |

1. Working capital facilities from State Bank of India is secured by first charge on entire current assets such as raw materials, SIP, finished goods, consumables, spares, stores and receivables and other current assets of the company on paripassu basis with other working capital lenders.
2. Bank of India has sanctioned working capital facilities against paripassu charge on the Inventories and book debts.



**NOTE 6 - OTHER CURRENT LIABILITIES**

| Particulars  | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| a) Current maturities of long-term debt                      | 62935  | 50390  |
| b) Current maturities of finance lease obligations           | 2229   | 2384   |
| c) Interest accrued but not due on borrowings                | 3861   | 3733   |
| d) Interest accrued and due on borrowings                    | -  | -  |
| e) Unpaid dividends  | 425  | 390  |
| f) Other payables  |  |  |
| i) Duties and taxes  | 3191   | 1947   |
| ii) Advances from customers                                  | 6046   | 1203   |
| iii) Credit balance in Scheduled Banks<br>(Current accounts) | -  | -  |
| iv) Others   |  |  |
| Interest received in advance                                 | -  | 132  |
| Creditors for capital goods                                  | 873  | 207  |
| Outstanding Expenses   | 11574  | 4747   |
| <b>Total</b>   | <b>91133</b>                                   | <b>65134</b>                                   |

There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2014 for dividend payable.

**NOTE 7 - SHORT TERM PROVISIONS**

| Particulars                        | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|------------------------------------|--|--|
| a) Provision for employee benefits |  |  |
| i) Gratuity (Unfunded)             | 163  | 92   |
| ii) Others                         | 3290   | 4770   |
| b) Others                          |  |  |
| i) Provision for taxation          | 9004   | 11186  |
| ii) Provision for Dividend         | 4380   | 4380   |
| <b>Total</b>                       | <b>16837</b>                                   | <b>20428</b>                                   |





**NOTE 8 - FIXED ASSETS**

| NAME OF THE ASSET                | GROSS BLOCK         |               |                    | DEPRECIATION             |                    |                    |                | NET BLOCK          |                    |
|----------------------------------|---------------------|---------------|--------------------|--------------------------|--------------------|--------------------|----------------|--------------------|--------------------|
|                                  | AS ON<br>01.04.2013 | ADDITIONS     | SALE /<br>TRANSFER | COST AS AT<br>31.03.2014 | UPTO<br>31.03.2013 | DURING<br>THE YEAR | WITH-<br>DRAWN | UPTO<br>31.03.2014 | UPTO<br>31.03.2013 |
| 01. LAND                         | 88162               | -             | -                  | 88162                    | -                  | -                  | -              | 88162              | 88162              |
| 02. BUILDING                     | 93453               | 13580         | -                  | 107034                   | 16944              | 2987               | -              | 87103              | 76509              |
| 03. WIND MILL                    | 154693              | -             | -                  | 154693                   | 11768              | 8168               | -              | 134757             | 142925             |
| 03. PLANT AND<br>MACHINERY       | 390443              | 69612         | 10379              | 449676                   | 129476             | 40582              | 9229           | 288847             | 260967             |
| 04. FURNITURE<br>AND FIXTURES    | 4858                | 264           | -                  | 5122                     | 892                | 289                | -              | 3940               | 3965               |
| 05. OFFICE<br>EQUIPMENT          | 5061                | 472           | -                  | 5532                     | 1757               | 292                | -              | 3483               | 3309               |
| 06. VEHICLES                     | 19407               | 4422          | 5920               | 17909                    | 4187               | 1850               | 1941           | 13813              | 15220              |
| <b>TOTAL OF<br/>FIXED ASSETS</b> | 756076              | 88350         | 16299              | 828128                   | 165025             | 54167              | 11170          | 620105             | 591052             |
| <b>PREVIOUS YEAR</b>             | 669826              | 112216        | 25965              | 756077                   | 134516             | 45452              | 14943          | 591052             | 535309             |
| <b>WORK IN PROGRESS</b>          |                     |               |                    |                          |                    |                    |                |                    |                    |
| 01. BUILDING - WIP               | 3371                | 12495         | 13580              | -                        | -                  | -                  | -              | 2286               | -                  |
| 02 BUILDING - WIP<br>PEELAMEDU   | 2288                | 11667         | -                  | -                        | -                  | -                  | -              | 13955              | -                  |
| 03 PLANT &<br>MACHINERY -<br>WIP | 41575               | 16132         | 57392              | -                        | -                  | -                  | -              | 315                | -                  |
| 04 ELECTRICAL<br>FITTINGS - WIP  | 221                 | -             | 221                | -                        | -                  | -                  | -              | -                  | -                  |
| <b>TOTAL</b>                     | <b>47454</b>        | <b>40294</b>  | <b>71193</b>       | -                        | -                  | -                  | -              | <b>16555</b>       | -                  |
| <b>PREVIOUS YEAR</b>             | <b>19989</b>        | <b>100237</b> | <b>72772</b>       | -                        | -                  | -                  | -              | <b>47454</b>       | -                  |



**NOTE 9 - NON CURRENT INVESTMENTS**

| Particulars                               | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| a) Trade investments                      |  |  |
| In Equity Shares - Unquoted, fully paid   |  |  |
| 120000 shares in Mytrah Vayu (Manjira)    |  |  |
| Private Limited (P.Y Nil)                 | 1200   | -  |
| b) Other investments                      | -  | -  |
| <b>Total</b>                              | <b>1200</b>                                    | <b>-</b>                                       |
| Aggregate amount of unquoted investments. | 1200   | -  |

**NOTE 10 - LONG TERM LOANS & ADVANCES**

| Particulars                              | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| a) Capital advances                      |  |  |
| Advance for Capital goods                | 11347  | 7183   |
| (Unsecured considered good)              |  |  |
| b) Security Deposits                     |  |  |
| Security Deposits                        | 14991  | 14071  |
| (Unsecured considered good)              |  |  |
| c) Loans and advances to related parties | -  | -  |
| d) Other loans & advances                |  |  |
| Prepaid expenses - AMC                   | 1627   | 1650   |
| (Unsecured considered good)              |  |  |
| <b>Total</b>                             | <b>27965</b>                                   | <b>22904</b>                                   |

**NOTE 11 - INVENTORIES**

| Particulars          | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|----------------------|--|--|
| a) Raw materials     |  |  |
| Yarn                 | 2127   | 416  |
| Fibre                | 39642  | 44385  |
| Cotton               | 640  | 8887   |
| b) Work-in-progress  | 15958  | 14414  |
| c) Finished goods    |  |  |
| Yarn                 | 47805  | 43263  |
| Stock in Transit     | -  | 3089   |
| d) Stock in Trade    | -  | -  |
| e) Stores and spares | 2291   | 2020   |
| f) Others            |  |  |
| i) Stock of waste    | 330  | 476  |
| <b>Total</b>         | <b>108793</b>                                  | <b>116950</b>                                  |

**Mode of valuation: Refer Note 25-I (C) in significant Accounting Policies**

**NOTE 12 - TRADE RECEIVABLES**

| Particulars   | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |  |  |
| Unsecured & considered good   | 14696  | 6202   |
| Other Trade receivables   |  |  |
| Unsecured & considered good   | 138864   | 107668   |
| <b>Total</b>  | <b>153560</b>                                  | <b>113870</b>                                  |

**NOTE 13 - CASH AND CASH EQUIVALENTS**

| Particulars   | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| a) Cash and Cash Equivalents  |  |  |
| i) Balances with banks  | 273  | 587  |
| ii) Cash on hand  | 4536   | 3288   |
| b) Other bank balances  |  |  |
| i) Unpaid dividend  | 425  | 390  |
| ii) Balances with banks to the extent held as margin money<br>(Margin money for bank guarantee)<br>(Maturity after 12 months)<br>(Margin money for Letter of credit)<br>(Maturity before 12 months) | 1246<br>-<br>-<br>-                            | 2596<br>-<br>-                                 |
| <b>Total</b>  | <b>6480</b>                                    | <b>6861</b>                                    |

**NOTE 14 - SHORT TERM LOANS AND ADVANCES**

| Particulars  | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| Unsecured, considered good   |  |  |
| a) Loans and advances to related parties                           | -  | -  |
| b) others  |  |  |
| Advance recoverable in cash or in kind or for value to be received |  |  |
| i) For Material purchase   | 12018  | 9567   |
| ii) For Expenses / others  | 7514   | 3808   |
| iii) For Duties & Taxes  | 15790  | 23327  |
| iv) Prepaid Expenses   | 3490   | 2125   |
| <b>Total</b>   | <b>38813</b>                                   | <b>38827</b>                                   |



# **NOTE 15 - OTHER CURRENT ASSETS**

| Particulars                                   | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| i) Interest accrued on deposits               | 224  | 302  |
| ii) Export Duty receivable                    | 5503   | 8965   |
| iii) Interest receivable on Trade receivables | -  | 108  |
| iv) Interest subsidy receivable from banks    | 7908   | 5533   |
| v) Windmill Energy income receivable          | 84   | 63   |
| <b>Total</b>                                  | <b>13718</b>                                   | <b>14971</b>                                   |

# **NOTE 16 - REVENUE FROM OPERATIONS**

| Particulars  | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| a) Sale of products (Refer Note (i) below)           | 1091224  | 946190   |
| b) Sale of services                                  | -  | -  |
| c) Other operating revenues                          |  |  |
| i) Wind mill - Electricity captive consumption value | 15895  | 20448  |
| ii) Sales of waste and scrap                         | 2720   | 5288   |
| iii) Duty drawback, FPS, Ser. Tax, FMS               | 6710   | 6211   |
| iv) Other incentives from government                 | 4362   | -  |
| <b>Total</b>   | <b>1120911</b>   | <b>978137</b>  |

## **Note (i) Sale of products**

### Finished goods

|       |         |        |
|-------|---------|--------|
| Yarn  | 1088974 | 905528 |
| Cloth | 2250    | 5707   |

### Traded goods

|        |   |       |
|--------|---|-------|
| Yarn   | - | 30714 |
| Cotton | - | 4241  |

|              |                |               |
|--------------|----------------|---------------|
| <b>Total</b> | <b>1091224</b> | <b>946190</b> |
|--------------|----------------|---------------|

# **NOTE 17 - OTHER INCOME**

| Particulars  | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| a) Interest income   | 2740   | 1691   |
| b) Other non-operating income (net of expenses directly attributable to such income) |  |  |
| i) Exchange Flexuation Gain  | -  | -  |
| ii) Profit on Sale of Assets   | 1440   | 251  |
| iii) Other income  | 667  | 123  |
| <b>Total</b>   | <b>4847</b>  | <b>2065</b>  |



**NOTE 18 - COST OF MATERIALS CONSUMED**

| Particulars   | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| Opening stock   | 53688  | 46951  |
| Add: Purchases  | 707083   | 593689   |
|   | 760771   | 640640   |
| Less: Sales of Fibre and Cotton                       | 1825   | 693  |
| Less: Closing stock                                   | 42409  | 53688  |
| <b>Cost of material consumed (Refer note 1 below)</b> | <b>716537</b>  | <b>586260</b>  |

**Note - 1**

**Details of Raw material consumed**

|            |               |               |
|------------|---------------|---------------|
| Imported   | 11419         | 1860          |
| Indigenous | 705118        | 584400        |
|            | <b>716537</b> | <b>586260</b> |

**Details of Raw material consumed**

|              |               |               |
|--------------|---------------|---------------|
| Yarn         | 14901         | 11051         |
| Fibre        | 686171        | 569367        |
| Cotton       | 15464         | 5842          |
| <b>Total</b> | <b>716537</b> | <b>586260</b> |

**NOTE 19 - PURCHASE OF STOCK IN TRADE**

| Particulars     | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|-----------------|--|--|
| Cotton Purchase | -  | 4049   |
| Yarn Purchase   | -  | 29871  |
| <b>Total</b>    | <b>-</b>   | <b>33920</b>   |

**NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE**

| Particulars                       | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|-----------------------------------|--|--|
| <b>Opening stock</b>              |  |  |
| Finished goods                    | 43263  | 42746  |
| Finished goods - Stock in Transit | 3089   | -  |
| Work-in-progress                  | 14414  | 17754  |
| Waste                             | 476  | 914  |
| Stock in Trade                    | -  | -  |
|                                   | <b>61242</b>   | <b>61414</b>   |
| <b>Closing stock</b>              |  |  |
| Finished goods                    | 47805  | 43263  |
| Finished goods - Stock in Transit | -  | 3089   |
| Work-in-progress                  | 15958  | 14414  |
| Waste                             | 330  | 476  |
| Stock in Trade                    | -  | -  |
|                                   | <b>64093</b>   | <b>61242</b>   |
| <b>Net (increase) / decrease</b>  | <b>-2851</b>   | <b>172</b>   |



**NOTE 21 - EMPLOYEE BENEFITS EXPENSES**

| Particulars                                       | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| a) Salaries, Wages, Bonus etc.                    | 30149  | 23249  |
| b) Managerial Remuneration                        | 1754   | 1751   |
| c) Contribution to Provident fund and other funds | 2208   | 1558   |
| d) Gratuity as per actuarial valuations           | 1384   | 622  |
| e) Staff welfare expenses                         | 4576   | 4397   |
| <b>Total</b>                                      | <b>40069</b>   | <b>31577</b>   |

**NOTE 22 - FINANCE COST**

| Particulars  | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--|--|--|
| a) Interest expense  | 63480  | 62596  |
| b) Other borrowing costs   | 2298   | 1852   |
| c) Net (gain) / loss on foreign currency<br>transactions and translation<br>(considered as finance cost) | -2453  | -1114  |
| <b>Total</b>   | <b>63325</b>   | <b>63334</b>   |

**NOTE 23 - OTHER EXPENSES**

| Particulars   | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| <b>Manufacturing expenses</b>                       |  |  |
| Consumption of stores and spares (Refer Note below) | 27307  | 23708  |
| Power and fuel                                      | 127980   | 103874   |
| Conversion charges                                  | 680  | 1649   |
| Repairs to Buildings                                | 389  | 455  |
| Repairs to Machinery                                | 1247   | 1300   |
|   | <b>157603</b>  | <b>130986</b>  |
| <b>Selling and Distribution Expenses</b>            |  |  |
| Freight and forwarding                              | 24421  | 14813  |
| Insurance ECGC                                      | 616  | 0  |
| Sales commission                                    | 5121   | 5960   |
| Consignment Expenses                                | 103  | 115  |
| Business promotion                                  | 1051   | 272  |
| Advertisement                                       | 376  | 385  |
|   | <b>31688</b>   | <b>21545</b>   |

**NOTE 23 - OTHER EXPENSES (CONTD.)**

| Particulars   | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| <b>Establishment Expenses</b>   |  |  |
| Rent  | 216  | 193  |
| Repairs and maintenance - Others  | 6230   | 3330   |
| Insurance   | 1157   | 997  |
| Rates and taxes, excluding taxes on income  | 2933   | 3078   |
| Postage and Telephone   | 699  | 605  |
| Travelling and conveyance   | 1554   | 1308   |
| Printing and stationery   | 230  | 262  |
| Audit Fees and Expenses   | 241  | 253  |
| Subscription  | 27   | 84   |
| Professional & Consultancy  | 1569   | 1080   |
| Net loss on foreign currency transactions and translation (other than considered as finance cost) | 7853   | -1472  |
| Loss on sale of fixed assets  | 1058   | 4869   |
| Prior period items (net)  | 0  | 0  |
| Miscellaneous expenses  | 288  | 381  |
| <b>Total</b>  | <b>213348</b>  | <b>167499</b>  |

**Note - Consumption of Stores and Spares**

| Particulars  | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|--------------|--|--|
| Indigenous   | 27016  | 23708  |
| Imported     | 291  | -  |
| <b>Total</b> | <b>27307</b>   | <b>23708</b>   |

**Note 24 - DEFERRED TAX**

| Particulars            | For the year ended<br>31 <sup>st</sup> March 2014<br>₹ in '000 | For the year ended<br>As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|------------------------|--|--|
| Mat Credit Entitlement | -8236  | -10402   |
| Deferred Tax           | 5745   | 17697  |
| <b>Total</b>           | <b>-2491</b>   | <b>7295</b>  |





## NOTES ON ACCOUNTS

### NOTE - 25

#### **I. SIGNIFICANT ACCOUNTING POLICIES**

##### **a. i) Basis of Accounting :**

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements are prepared on accrual basis under the historical cost convention, except for certain fixed assets which are carried at revalued amounts. The financial statements are presented in Indian rupees rounded off to the nearest rupees in thousands.

##### **ii) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

##### **iii) Current / Non Current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

##### **iv) Revenue recognition**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced).

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognised on accrual basis.

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.

Interest on investments is recognized on a time proportion basis taking into account the amounts invested and the rate of interest.



Dividend income on investments is recognized when the right to receive dividend is established.

**b. Fixed Assets and Depreciation :**

**Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

**Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization /depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

**Depreciation**

Depreciation on fixed assets is provided on straight-line basis at the rates specified in Schedule XIV of the Companies Act 1956. In respect of assets costing less than Rs.5,000/- the policy of the Company is to charge depreciation at 100% on Prorata basis to the period of use.

**c. Investments**

Current investments are carried at lower of cost and quoted / fair value, computed category-wise. Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

**d. Inventory valuation**

Inventories are valued as follows :

- i) Raw materials, materials in process, finished goods and Goods for Trade are valued at Cost or Net Realizable Value, whichever is lower.
- ii) Stores, Spares, Etc., are valued, either at Cost or at Cost less amounts written off.
- iii) Goods in transit are valued at cost to date.
- iv) 'Cost' comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formula used is 'First in First Out' as applicable.



**e. Value Added Tax:**

The value added tax is accounted for by reducing the Purchase cost of the related items.

**f. Retirement Benefits:**

1. Provident fund is accounted on accrual basis with contribution to recognized funds.
2. Leave encashment benefit are paid annually as per the policy of the company.
3. Gratuity liability has been provided in the books of accounts as per the actuarial valuation certificate provided by Consulting Actuary.

**g. Borrowing Cost :**

- a) Borrowing costs that are directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of that asset till the time it is ready to put to use.
- b) All other Borrowing costs are recognized as expenditure during the period in which these are incurred.

**h. Taxes on income :**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**i. Foreign currency Transactions**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

Foreign currency monetary assets and liabilities (other than those covered by forward contracts) as on the balance sheet date are revalued in the accounts on the basis of exchange rates prevailing at the balance sheet date and exchange difference arising there from is charged to Statement of Profit & Loss

In the case of transactions covered by forward contracts, the difference between the contract rate and the exchange rate prevailing on the date of transaction is charged to profit & loss Account, proportionately over the contract period. Exchange differences on such contracts are recognized in the statement of Profit & Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.



**j. Earnings per share:**

Earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net Profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**k. Cash Flow Statement :**

The cash Flow statement is prepared by the indirect method set out in Accounting Standard 3 on cash flow statement and presents cashflows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the cash flow statement consists of cash on hand and demand deposits with banks as on the balance sheet date.

**l. Trade receivables and Loans and Advances**

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.

**m. Operating lease:**

Operating lease payments are recognized as expenditure in the Statement of Profit & Loss on a straight line basis, which is representative of the time pattern of benefits received from the use of assets taken on lease.

**n. Provisions, Contingent Liabilities and Contingent Assets.**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

**o. Impairment**

- a) 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 impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- b) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.



- c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there no impairment.

**p. Government Grants**

The company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants relating to specific fixed assets are shown as deduction from the gross value of the assets. Grants related to revenue is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. The capital grants towards promoters contribution is recognized as capital reserve.

**II. OTHER NOTES**

1. Estimated value of contract remaining to be executed on Capital Account is (₹ '000) 51588 (Previous Year (₹'000) 9905).

| 2. Details of contingent liabilities   | 31.03.2014 | 31.03.2013 |
|--|------------|------------|
| i. Employees' State Insurance Corporation demand, Appeal before the Employee Insurance Court.                                  | 563        | 563        |
| ii. Dispute on outstanding balance against the lease finance and hire purchase, the case is before the High court of Karnataka | 1234       | 1234       |
| iii. Cross Subsidy surcharge to TNGDCL   | 2239       | Nil        |

3. Disclosure in respect of derivative instruments:

(a) Derivative instruments outstanding:

|   |     |     |     |       |
|---|-----|-----|-----|-------|
| Loans taken Principal with forward contract | USD | Nil | USD | 79000 |
|   | INR | Nil | INR | 4533  |

(b) Derivative instruments receivable:

|                                      |     |     |     |       |
|--------------------------------------|-----|-----|-----|-------|
| Export debtors with forward contract | USD | Nil | USD | 96941 |
|                                      | INR | Nil | INR | 5273  |

(c) Foreign currency exposures that are not hedged by derivative instruments

|                           |     |         |     |     |
|---------------------------|-----|---------|-----|-----|
| i. Cash and bank balance  | USD | 47      | USD | 47  |
|                           | INR | 3       | INR | 3   |
| ii. Loans taken Principal | USD | 1238422 | USD | Nil |
|                           | INR | 74429   | INR | Nil |
| iii. Export debtors       | USD | 250949  | USD | Nil |
|                           | NR  | 15057   | INR | Nil |

4. Borrowing cost of (₹ '000) 580 on State Bank of India Term loan is capitalized towards Building, Plant & machineries and other capital work-in-progress during the year.



5. Segment reporting

|                              | 31.03.2014 | 31.03.2013 |
|------------------------------|------------|------------|
| <b>Segment Revenue</b>       |            |            |
| Yarn Manufacturing           | 1,109,732  | 959,580    |
| Wind Mills                   | 16,026     | 20,623     |
| Real Estate                  | -          | -          |
| Total                        | 1,125,758  | 980,202    |
| <b>Segment Expenditure</b>   |            |            |
| Yarn Manufacturing           | 1,059,136  | 903,013    |
| Wind Mills                   | 25,458     | 25,202     |
| Real Estate                  | -          | -          |
| Total                        | 1,084,595  | 928,214    |
| <b>Segment Profit / Loss</b> |            |            |
| Yarn Manufacturing           | 50,595     | 56,567     |
| Wind Mills                   | (9,432)    | (4,579)    |
| Real Estate                  | -          | -          |
| Total                        | 41,164     | 51,988     |
| <b>Segment Assets</b>        |            |            |
| Yarn Manufacturing           | 633,199    | 717,715    |
| Wind Mills                   | 141,417    | 149,587    |
| Real Estate                  | 212,574    | 85,588     |
| Total                        | 987,189    | 952,890    |
| <b>Segment Liabilities</b>   |            |            |
| Yarn Manufacturing           | 639,290    | 623,861    |
| Wind Mills                   | 108,717    | 120,109    |
| Real Estate                  | -          | -          |
| Total                        | 748,006    | 743,970    |

During the year 2008-09, the real estate land which was a stock in trade with a value of (₹ '000) 6399 was converted into fixed asset. The same was revalued for a value of (₹ '000) 83300 resulting in a revaluation reserve of (₹ '000) 76901.



6. In accordance with the revised Accounting Standard – 15 details are given below which is certified by the actuary and relied upon by the auditors and the company has provided the liability in accounts, to meet its liability from internal generation.

| <b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS</b><br>[Expressed as weighted averages]  |              |              |
|--|--------------|--------------|
|  | 31 03 2014   | 31 03 2013   |
| Discount Rate  | 9.10%        | 8.20%        |
| Salary escalation rate   | 6.00%        | 6.00%        |
| Attrition rate   | 5.00%        | 5.00%        |
| Expected rate of return on Plan Assets   | 0.00%        | 0.00%        |
| In the following tables, all amounts are in Rupees, unless otherwise stated  |              |              |
| <b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES: ₹ ('000)</b> |              |              |
| <b>PVO as at the beginning of the period</b>   | <b>1,740</b> | <b>1,203</b> |
| Interest Cost  | 139          | 101          |
| Current service cost   | 386          | 305          |
| Past service cost - (non vested benefits)  | -            | -            |
| Past service cost - (vested benefits)  | -            | -            |
| Benefits paid  | -90          | -86          |
| Actuarial loss/(gain) on obligation<br>(balancing figure)  | 858          | 217          |
| <b>PVO as at the end of the period</b>   | <b>3,033</b> | <b>1,740</b> |
| <b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>                     |              |              |
| <b>Fair value of plan assets as at the beginning of the period</b>   | -            | -            |
| Expected return on plan assets   | -            | -            |
| Contributions  | 90           | 86           |
| Benefits paid  | -90          | -86          |
| Actuarial gain/(loss) on plan assets<br>[balancing figure]   | -            | -            |
| <b>Fair value of plan assets as at the end of the period</b>   | -            | -            |
| <b>IV. ACTUAL RETURN ON PLAN ASSETS</b>  |              |              |
| <b>Expected return on plan assets</b>  | -            | -            |
| <b>Actuarial gain (loss) on plan assets</b>  | -            | -            |
| <b>Actual return on plan assets</b>  | -            | -            |
| <b>V. ACTUARIAL GAIN / LOSS RECOGNIZED</b>   |              |              |
| Actuarial gain / (loss) for the period - Obligation  | -858         | -217         |
| Actuarial gain / (loss) for the period- Plan Assets  | -            | -            |
| Total (gain) / loss for the period   | 858          | 217          |
| <b>Actuarial (gain) / loss recognized in the period</b>  | <b>858</b>   | <b>217</b>   |
| Unrecognized actuarial (gain) / loss<br>at the end of the year   | -            | -            |



**VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES**

|  |              |       |
|--|--------------|-------|
| Present value of the obligation                      | <b>3,033</b> | 1,740 |
| Fair value of plan assets                            | -            | -     |
| Difference   | <b>3,033</b> | 1,740 |
| Unrecognised transitional liability                  | -            | -     |
| Unrecognised past service cost - non vested benefits | -            | -     |
| <b>Liability recognized in the balance sheet</b>     | <b>3,033</b> | 1,740 |

**VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:**

|  |              |     |
|--|--------------|-----|
| Current service cost   | <b>386</b>   | 305 |
| Interest Cost  | <b>139</b>   | 101 |
| Expected return on plan assets                                 | -            | -   |
| Net actuarial (gain)/loss recognised in the year               | <b>858</b>   | 217 |
| Transitional Liability recognised in the year                  | -            | -   |
| Past service cost - non-vested benefits                        | -            | -   |
| Past service cost - vested benefits                            | -            | -   |
| <b>Expenses recognized in the statement of profit and loss</b> | <b>1,383</b> | 623 |

**VIII.MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET**

|                              |              |       |
|------------------------------|--------------|-------|
| Opening net liability        | <b>1,740</b> | 1,203 |
| Expense as above             | <b>1,384</b> | 622   |
| Contribution paid            | <b>-90</b>   | -86   |
| <b>Closing net liability</b> | <b>3,034</b> | 1,740 |

7. Related party disclosures for the year ended 31st March 2014.

a) The following loans have been taken during the year from related parties:

|  | Opening<br>Balance | Amount<br>Received | Amount<br>Repaid | Closing<br>Balance<br>(₹ '000) |
|--|--------------------|--------------------|------------------|--------------------------------|
| Mr. Santossh. R<br>Managing Director     | 49621              | 11678              | 12188            | 49111                          |
| Mrs. Giulia Bosco<br>Whole time Director | 4700               | 200                | Nil              | 4900                           |

b) Remuneration paid to Managing Director, Mr. Santossh. R is (₹ '000) 914 (Previous Year (₹ '000) 911).

c) Remuneration paid to Whole time Director, Ms.Giulia Bosco is (₹ '000) 840 (Previous Year (₹ '000) 660).





- d) Cash value of perquisites to Whole time Director, Ms. Giulia Bosco is (₹ '000) 144 (Previous year (₹ '000) 69)
- e) Remuneration paid to Whole time Director, Ms. Vimala. R is (₹) Nil (Previous Year (₹ '000) 180).
- f) i. Polyester and Viscose purchase from Strikeright Integrated Services Limited., during the year for (₹ '000) 151592 (previous year (₹ '000) 25054)

Company in which One Whole time Director and one Director of Lambodhara Textiles Limited are Directors.

|  |            |            |
|--|------------|------------|
| 8. Earnings Per share                              | 31.03.2014 | 31.03.2013 |
| (a) Profits after Tax (₹ '000)                     | 35387      | 32139      |
| (b) Weighted Average No. of Shares                 | 43,79,800  | 43,79,800  |
| (c) Face Value per share ₹                         | 10         | 10         |
| (d) Earnings per share- Basic & Diluted (₹)        | 8.08       | 7.34       |
| 9. VALUE OF IMPORTS ON CIF BASIS                   | (₹ '000)   | (₹ '000)   |
| a) Raw Material                                    | 7250       | 5965       |
| b) Stores & Spare Parts                            | 291        | Nil        |
| c) Capital Goods                                   | Nil        | 25924      |
| 10. EXPENDITURE IN FOREIGN CURRENCY                |            |            |
| On foreign travel                                  | 115        | 110        |
| On Import of raw materials & stores                | 7541       | 5965       |
| On Import of Machinery                             | Nil        | 25924      |
| Advance for Capital goods                          | Nil        | Nil        |
| 11. EARNINGS IN FOREIGN CURRENCY<br>(Export sales) | 200969     | 147532     |
| 12. MANAGERIAL REMUNERATION:                       |            |            |
| Paid to Mr. Santossh. R, Managing Director         |            |            |
| Salary   | 780        | 780        |
| Allowance  | 120        | 120        |
| Club payments                                      | 14         | 11         |
| Paid to Ms. Vimala. R, Whole time Director         |            |            |
| Salary   | Nil        | 180        |
| Paid to Ms.Giulia Bosco, Whole time Director       |            |            |
| Salary   | 840        | 660        |
| Perquisite   | 144        | 69         |
| 13. Break up of Audit Fees                         |            |            |
| For Audit  | 155        | 156        |
| For Limited Review under listing agreement         | 22         | 54         |
| For Certification                                  | 25         | 8          |
| For Taxation services                              | 33         | 28         |
| For reimbursement of expenses                      | 6          | 7          |



14. In the opinion of the Board, Current Assets, Loans and Advances will fetch the amount stated, if realised in the normal course of the business.
15. There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2014. This information as required to be disclosed under the MSMED Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
16. Previous year's figures have been regrouped wherever considered necessary.

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Vide Our Report of even date  
for **MOHAN & VENKATARAMAN**  
Chartered Accountants  
FRN : 007321S

(Sd/-) **R.MOHAN**  
Partner  
M.No.201229

Place : Coimbatore  
Date : 29.05.2014

(Sd/-) **SANTOSSH.R**  
Managing Director

(Sd/-) **VIMALA.R**  
Director

**CASH FLOW STATEMENT**

| Particulars   | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| <b>A. Cash flow from operating activities</b>                   |  |  |
| Net Profit / (Loss) before extraordinary items and tax          | 41164  | 51988  |
| Adjustments for:  |  |  |
| Depreciation and amortisation                                   | 54167  | 45452  |
| (Profit) / loss on sale / write off of assets                   | -381   | 4618   |
| Interest payments   | 63197  | 62924  |
| Interest income   | -2740  | -1691  |
|   | 114244   | 111303   |
| <b>Operating profit / (loss) before working capital changes</b> | 155407   | 163291   |
| Changes in working capital:                                     |  |  |
| Adjustments for (increase) / decrease in operating assets:      |  |  |
| Inventories   | 8158   | -7045  |
| Trade and other receivables                                     | -51379   | -66369   |
| Trade Payable & Other liabilities                               | -176   | 19274  |
|   | -43397   | -54140   |
|   | <b>112010</b>                                  | <b>109151</b>                                  |
| Direct taxes paid   | 7730   | -11258   |
| Interest paid   | -63197   | -62924   |
| <b>Cash Flow before Extra Ordinary items</b>                    | <b>56542</b>                                   | <b>34969</b>                                   |
| Extra Ordinary item   | 0  | 0  |
| Preliminary Exp / Deferred revenue                              | 0  | 0  |
| <b>Net cash flow from operating activities</b>                  | <b>56542</b>                                   | <b>34969</b>                                   |
| <b>B. Cash flow from investing activities</b>                   |  |  |
| Capital expenditure on fixed assets                             | -58710   | -139681  |
| Sale of fixed assets  | 6769   | 6404   |
| Trade investments   | -1200  | 0  |
| Interest received   | 2819   | 1537   |
| <b>Net cash flow from investing activities</b>                  | <b>-50323</b>                                  | <b>-131740</b>                                 |



| Particulars   | As at 31 <sup>st</sup> March 2014<br>₹ in '000 | As at 31 <sup>st</sup> March 2013<br>₹ in '000 |
|---|--|--|
| <b>C. Cash flow from financing activities</b>                 |  |  |
| Proceeds from borrowings                                      | -10713   | 83335  |
| Dividend paid (including dividend distribution tax)           | -5091  | -4868  |
| <b>Net cash flow from financing activities</b>                | <b>-15805</b>                                  | <b>78467</b>                                   |
| <b>Net increase / (decrease) in Cash and cash equivalents</b> | <b>-9585</b>                                   | <b>-18305</b>                                  |
| <b>Opening Balance of Cash and Cash equivalents</b>           | <b>-158037</b>                                 | <b>-139732</b>                                 |
| <b>Closing Balance of Cash and Cash equivalents</b>           |  |  |
| Cash and Bank Balance   | 6703   | 7164   |
| Cash Credit Account   | -174325  | -165200  |
|   | <b>-167621</b>                                 | <b>-158037</b>                                 |
|   | <b>-9585</b>                                   | <b>-18305</b>                                  |

Vide Our Report of even date  
for **MOHAN & VENKATARAMAN**  
Chartered Accountants  
FRN : 007321S

(Sd/-) **R.MOHAN**  
Partner  
M.No.201229

Place : Coimbatore  
Date : 29.05.2014

(Sd/-) **SANTOSSH.R**  
Managing Director

(Sd/-) **VIMALA.R**  
Director



## PROXY FORM

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

### LAMBODHARA TEXTILES LIMITED

L17111TZ1994PLC004929

3A, B-Block, Pioneer Apartments

1075-B, Avinashi Road, Coimbatore- 641018. Tamil Nadu

Email : [info@lambodharatextiles.com](mailto:info@lambodharatextiles.com) Website Address : [www.lambodharatextiles.com](http://www.lambodharatextiles.com)

### 20<sup>th</sup> ANNUAL GENERAL MEETING

11<sup>th</sup> September, 2014

Name of the member(s):

Registered address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We being the member(s) of \_\_\_\_\_ shares of Lambodhara Textiles Limited, hereby appoint:

1) Name:.....Address.....

Email ID.....Signature.....or failing him;

2) Name:.....Address.....

Email ID.....Signature.....or failing him;

3) Name:.....Address.....

Email ID.....Signature.....or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company, to be held on **Thursday, September 11, 2014 at 11.00 A.M at Vibha, The Grand Regent, 708, Avinashi Road, Coimbatore – 641 018** and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.

| S.<br>No | Resolutions  | Optional *               |                          |
|----------|--|--------------------------|--------------------------|
|          |  | For                      | Against                  |
|          | <b>Ordinary Business</b>   |                          |                          |
| 1        | Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2        | Declaration of dividend for the year ended 31 <sup>st</sup> March 2014   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3        | Appointment of M/s. Mohan & Venkataraman, Chartered Accountants as Auditors of the Company and fix their remuneration. | <input type="checkbox"/> | <input type="checkbox"/> |
|          | <b>Special Business</b>  |                          |                          |
| 4        | Appointment of Mr.Vastupal Rajnikant Mehta as an Independent Director  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5        | Appointment of Deepak Padamshi Malani as an Independent Director   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6        | Appointment of Mr.Rajkumar as an Independent Director  |                          |                          |
| 7        | Re-appointment of Mr. Radhakrishnan Santossh as Managing Director of the Company.                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| 8        | Fixing of the borrowing limits upto Rs.150 Crores pursuant to section 180(1)(c) of the Companies Act, 2013             | <input type="checkbox"/> | <input type="checkbox"/> |
| 9        | Creation of Charge on the assets of the Company pursuant to section 180(1)(a) of the Companies Act, 2013               | <input type="checkbox"/> | <input type="checkbox"/> |
| 10       | Alteration of the Articles of Association  |                          |                          |
| 11       | Revision of the terms of appointment of Mrs.Bosco Giulia, Whole Time Director  | <input type="checkbox"/> | <input type="checkbox"/> |
| 12       | Appointment of Mrs. Vimala Radhakrishnan as Whole Time Director  | <input type="checkbox"/> | <input type="checkbox"/> |
| 13       | Approve related party transaction pursuant to section 188 of the Companies Act, 2013                                   | <input type="checkbox"/> | <input type="checkbox"/> |

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

Signature of Shareholder .....

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

Affix  
Revenue  
Stamp not  
less than  
₹ 0.15

#### Notes

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 20<sup>th</sup> Annual General Meeting
- 3.\* It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate
4. Please complete all details including details of member(s) in the above box before submission.

# LAMBODHARA TEXTILES LIMITED

L17111TZ1994PLC004929

3A, B-Block, Pioneer Apartments

1075-B, Avinashi Road, Coimbatore- 641018. Tamil Nadu

Email : [info@lambodharatextiles.com](mailto:info@lambodharatextiles.com) Website Address : [www.lambodharatextiles.com](http://www.lambodharatextiles.com)

## ATTENDANCE SLIP

**20<sup>th</sup> ANNUAL GENERAL MEETING**

**11<sup>th</sup> September, 2014**

|                |               |
|----------------|---------------|
| DP ID          | Folio No.     |
| Client ID      | No. of Shares |
| Name of Member |               |
| Name of Proxy  |               |

I hereby record my presence at the 20th Annual General Meeting of the Company held on Thursday, 11th September, 2014 at 11.00 A.M. at Vibha, The Grand Regent, 708, Avinashi Road, Coimbatore – 641 018

Member's / Proxy's Signature





# LAMBODHARA TEXTILES LIMITED

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Kindly read the instructions printed overleaf before filling the form.

- 1 Name of Sole/First Member :
- 2 Name(s) of Joint Member(s), If any :
- 3 Registered Folio No./DP ID No./Client ID No. :
- 4 Number of shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed through e-voting /Postal Ballot for the business stated in the AGM Notice dated 4<sup>th</sup> August, 2014 of the Company by conveying my/our assent or dissent to the said Resolution(s) by placing the tick(✓) mark at the appropriate box below:

| Item No | Description   | No.of shares held by me | I assent to the resolution | I dissent from the resolution |
|---------|---|-------------------------|----------------------------|-------------------------------|
| 1.      | Adoption of Annual Financial Statements as on 31 <sup>st</sup> March,2014 (Ordinary Resolution)   |                         |                            |                               |
| 2.      | Declaration of dividend payable to Members (Ordinary Resolution)  |                         |                            |                               |
| 3.      | Appointment of Statutory Auditors and fixing their remuneration (Ordinary Resolution)   |                         |                            |                               |
| 4.      | Appointment of Sri. Vastupal Rajnikant Mehta as Independent Director (Special Resolution)   |                         |                            |                               |
| 5.      | Appointment of Sri. Deepak Padamshi Malani as Independent Director (Special Resolution)   |                         |                            |                               |
| 6.      | Appointment of Sri. Meenakshi Sundaram Rajkumar as Independent Director (Ordinary Resolution)   |                         |                            |                               |
| 7.      | Reappointment of Sri. Radhakrishnan Santossh as Managing Director (Special Resolution)  |                         |                            |                               |
| 8.      | Enhancement of borrowing limit upto Rs.150 Crores pursuant to section 180(1)(c) of the Companies Act, 2013 (Special Resolution)                     |                         |                            |                               |
| 9.      | Authorisation to create mortgage/charge on the assets of the Company pursuant to section 180(1)(a) of the Companies Act, 2013. (Special Resolution) |                         |                            |                               |
| 10.     | Amendment of the Articles of Association (Special Resolution)   |                         |                            |                               |
| 11.     | Amendment in the terms of appointment of Smt. Bosco Giulia, Whole Time Director (Special Resolution)  |                         |                            |                               |
| 12.     | Appointment of Smt. Vimala Radhakrishnan as Whole Time Director (Special Resolution)  |                         |                            |                               |
| 13.     | Authorisation to enter into a contract/arrangement with a related party pursuant to section 188 of the Companies Act, 2013. (Special Resolution)    |                         |                            |                               |

Place:

Date :

Signature of Member

Note: Last date for receipt of postal ballot forms by Scrutiniser is 8<sup>th</sup> September 2014.

#### INSTRUCTIONS:

1. In terms of Clause-35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the AGM may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided as per Clause 35B of the Listing Agreement.
2. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form, sign and send in the enclosed self addressed postage prepaid envelope so as to reach the Scrutiniser as per instruction 6 below at the address Sri. M.D. Selvaraj, Practising Company Secretary, MDS Associates, Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028. Postage will be borne and paid by the Company. Envelopes containing Postal ballots, if deposited in person or sent by courier at the expense of the members will also be accepted.
3. The self addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address at which the Postal Ballot Form is to be sent.
4. The postal ballot form should be completed and signed by the members. In the case of joint shareholding, this form should be completed and signed by the first named member and in his absence, by the next named member(s). Unsigned postal ballot forms will be rejected. The signature on the postal ballot form must tally with the specimen signature registered with the Company.
5. Where the Postal ballot form has been signed by an Authorised Representative of a body corporate, a certified copy of the relevant authorizations to vote on the postal ballot should accompany the postal ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
6. Duly Completed postal ballot forms should reach the Scrutiniser not later than 5.00 p:m on 8<sup>th</sup> September, 2014. Any postal ballot form received after this time and date will be treated as if the reply from the member has not been received.
7. A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutiniser not later than the time and date specified at Item No.6 above.
8. Voting rights will be reckoned on the paid up value of shares registered in the name of the member on 8<sup>th</sup> August, 2014 which is the cutoff Date fixed for this purpose.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the encloses self addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutiniser and any extra paper found in such envelope would be destroyed by the Scrutinizer.
10. There will be only one postal ballot form for every folio irrespective of the number of joint member(s)
11. A member need not use all the votes nor does he need to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a postal ballot will be final and binding.
13. Incomplete, unsigned or incorrect postal ballot forms will be rejected.
14. The date of AGM will be the deemed date of passing resolution(s) through e-voting/postal ballot.
15. The right of vote under e-voting and postal ballot shall not be exercised by a proxy.