

**GNANAMBIKAI MILLS LIMITED**  
**CIN : U17111TZ1935PLC000056**  
**COIMBATORE**

**BOARD OF DIRECTORS**

**Chairman**

Shri. V.S. Chinnaswamy

**Managing Director**

Shri. Senthil Chinnasamy

**Directors**

Shri. V.S. Kulandaivel

Smt. Banumathy Chinnaswamy

Shri. M. Rathinasabapathy

Shri. M. Suresh

Shri. D. Ashok Kumar

**AUDITORS**

M/s. G. RAMASWAMY & Co.,  
CHARTERED ACCOUNTANTS  
COIMBATORE - 641 002

**BANKERS**

CITY UNION BANK LTD

**REGISTERED OFFICE**

ALANKAR BUILDING  
III FLOOR, 551, D.B. ROAD  
R.S. PURAM  
COIMBATORE - 641 002

**MILL**

POST BOX NO. 5307  
GNANAMBIKAI MILLS POST  
COIMBATORE - 641 029

**NOTICE TO SHARE HOLDERS**

Notice is hereby given that the 79<sup>th</sup> Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Alankar Building, 3<sup>rd</sup> Floor, 551, D.B. Road, R.S. Puram, Coimbatore-641 002, on Friday,30<sup>th</sup> September 2016 at 4.45 PM to transact the following business. All members are requested to attend.

**AGENDA****ORDINARY BUSINESS :**

1. To receive, consider and adopt the accounts for the period ended 31<sup>st</sup> March, 2016, the Balance Sheet as on 31<sup>st</sup> March 2016 and the statement of Profit and Loss for the period ended as on that date and Report of Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri.V.S.Kulandaivel, having (DIN 01086943) who retires by rotation and being eligible,offers himself for re-appointment.
3. To appoint a Director in the place of Shri.M.Rathinasabapathy, having (DIN 01636104) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratification of the Statutory Auditors and fix their remuneration.

To consider and if deemed fit, to pass with or without modification(s), the following resolution as an ordinary resolution.

RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the appointment of M/s. G. Ramaswamy & Co, Chartered Accountants, Coimbatore (Firm Registration Number : 002971S), as Statutory Auditors of the Company in the previous Annual General Meeting (AGM) for a period till the conclusion of the Annual General Meeting to be held in 2017, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next AGM,at such remuneration as may be mutually agreed by the Board of Directors and the Auditors.

Place : Coimbatore

Date : 24.08.2016

By Order of the Board,

Senthil Chinnasamy  
Managing Director  
(DIN : 00020229)

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself. Such proxy need not be a member of the company. But a person can act as proxy on behalf of members not exceeding fifty (50) and holding not more than ten percent of the total share capital of the Company.
2. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 Hours before the commencement of the meeting. A Proxy Form for the AGM is enclosed herewith.
3. Members/Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
4. The Register of members and Share transfer books of the company will remain closed from 24.09.2016 to 30.09.2016 (both days inclusive).
5. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form to enable the Company to serve documents in electronic form.
6. All unclaimed dividend shall be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration.

**Details of Director seeking re-appointment pursuant of Secretarial Standards (SS-2)**

Name	Shri. V.S. Kulandaivel
DIN	01086943
Date of Birth	12.10.1940
Date of Appointment on the Board	13.02.1968
Inter-se relationship with other Directors	Brother of Chairman
Qualification	Graduate
Expertise in area	Industrialist
No. of Shares held	500
Board Position held	Director
Terms and conditions of appointment/re-appointment	Rotation by retirement
Remuneration	N A
Number of Board Meetings attended during the year	6
Directorships held in other Companies	1. V.S.K. Suganya Agricultural Farms Private Limited 2. V.S.K. Praveena Agricultural Farms Private Limited 3. VEE CE YES Industries Private Limited
Chairmanship/Membership in other Committees	-

Name	Shri. M. Rathinasabapathy
DIN	01636104
Date of Birth	04.04.1931
Date of Appointment on the Board	12.03.2001
Inter-se relationship with other Directors	N A
Qualification	PUC
Expertise in area	Industrialist
No. of Shares held	9555
Board Position held	Director
Terms and conditions of appointment/re-appointment	Rotation by retirement
Remuneration	N A
Number of Board Meetings attended during the year	6
Chairmanship/Membership in other Committees	-

**DIRECTORS' REPORT**

Ladies and Gentlemen,

Your Directors are pleased to present the 79<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31<sup>st</sup> March, 2016. The summarized financial results for the year ended 31<sup>st</sup> March, 2016 are as under :

**FINANCIAL PERFORMANCE**

The Performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 is summarized below :

Particular for the financial year	31.03.2016	31.03.2015
<b>Total Revenue</b>	1,33,22,497	32,83,902
<b>Less : Total Expenses(excluding Finance Cost, Depreciation and Amortisation Expense &amp; Exceptional Items and Tax)</b>	(1,50,75,779)	(69,29,995)
<b>Loss Before Interest and Depreciation</b>	(17,53,282)	(36,46,093)
Less: Finance Cost / Interest	(5,70,119)	(2,56,464)
Less: Depreciation & Amortisation Expense	(6,09,453)	(17,40,288)
Less: Exceptional items	755	( 28,02,202)
<b>Loss Before Tax</b>	(29,32,099)	(84,45,047)
Less: Tax	(29,98,400)	7,02,900
<b>Loss After Tax(from continuing operations)</b>	(59,30,499)	(77,42,147)
Add: Loss After Tax (from discontinuing operations)	-	(5,53,956)
<b>Loss for the Year</b>	<b>(59,30,499)</b>	<b>(82,96,103)</b>

**DIVIDEND**

Yours Directors regret their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March, 2016 in view of inadequacy of profits.

**PERFORMANCE REVIEW**

During the financial year under review, the loss after depreciation and tax were Rs. 59.30 lakhs as against Rs. 82.96 lakhs in the previous year. The movement of yarn was very poor compare to previous year. There is a general recession in textile industry, cotton prices is also high. Hence movement of cotton is downward trend and realization also poor. Therefore the trading activities has come down during the year. The company has taken initiative to improve revenue, to let out portion of building as per the objective of memorandum and receiving 100% of rent during the ensuing year.

**OUT LOOK**

The company explore the possibility of extending the trading of cotton yarn and cotton. In addition to that efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company.

**DIRECTORS**

In accordance with the Companies Act, 2013 and the company's Articles of Association, Shri.V.S.Kulandaivel and Shri.M.Rathinasabapathy, Directors of the Company retire by rotation at the ensuing Annual General Meeting.

**DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**SHARE CAPITAL**

During the year under review the Company has not made any changes in the Capital Structure of the Company.

**NUMBER OF BOARD MEETINGS HELD**

A calendar of Meetings is prepared and circulated in advance to the Directors.

The Board of Directors duly met **6 times** during the financial year from 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. The dates on which the meetings were held are as follows : **30<sup>th</sup> June 2015, 13<sup>th</sup> July 2015, 28<sup>th</sup> August 2015, 09<sup>th</sup> October 2015, 11<sup>th</sup> January 2016 and 12<sup>th</sup> February 2016**. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

S.No.	Name of Directors	Date of Board Meeting	Number of Meeting Eligible	Number of Meeting Attended
1	Shri. V.S. Chinnaswamy	30.06.2015	6	6
2	Shri. Senthil Chinnasamy	13.07.2015	6	6
3	Shri. V.S. Kulandaivel	28.08.2015	6	6
4	Smt. Banumathy Chinnaswamy	09.10.2015	6	6
5	Shri. M. Rathinasabapathy	11.01.2016	6	6
6	Shri. M. Suresh	12.02.2016	6	6
7	Shri. D. Ashok Kumar	-	6	6

**MATERIAL CHANGES AND COMMITMENTS**

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31<sup>st</sup> March, 2016 and the date of this report i.e. 24<sup>th</sup> August, 2016.

**EXIT OF MADRAS STOCK EXCHANGE LTD TO DISSEMINATION BOARD OF NSE**

Your Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company is ceased to be a listed company and moved on to Dissemination Board of NSE. Your company has ceased to be a listed Company with Madras Stock Exchange Limited and has been placed on the Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of your company ceased to be a listed Company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1935PLC000056. Hence, Compliances of Listing Agreement, Secretarial Audit under Section 204 of the Companies Act, 2013 and read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company.

**AUDITORS**

As per Section 139 of the Companies Act, 2013, M/s. G.Ramaswamy & Co. were appointed as the Statutory Auditors of the Company in the previous Annual General Meeting (AGM) till the conclusion of the AGM to be held on 2017, which was subject to ratification at every AGM. Accordingly, ratification of their appointment is proposed in this Annual General Meeting.

**INTERNAL AUDITOR**

As appointment of an internal auditor for the financial year 2015-16 pursuant to Section 138 of the Companies Act, 2013 and read with Rule 13 of the Companies (Accounts) Rules, 2014 does not arise, due to the company has ceased to be a listed Company with Madras Stock Exchange Limited and has been placed on the Dissemination Board of NSE with effect from 01.12.2014.

**COST AUDIT**

Provisions relating to Cost Audit and Cost Compliance are not applicable to the Company.

**OBSERVATION OF STATUTORY AUDITOR IN RESPECT OF THEIR AUDIT REPORT**

The Statutory Audit report does not contain any adverse observation or qualification or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year, the Company has not provided any loans, guarantees and made investments covered under the provisions of Section 186 of the Companies Act, 2013. Hence no information as per provisions of Section 134(3)(g) of the Companies Act, 2013 has been furnished.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Internal Complaints Committee (ICC) has been set up by the Company to redress complaints received in respect of Sexual Harassment. All employees are covered under this policy. The Company has not received any sexual harassment complaint at workplace during the year 2015-16.

**CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES**

Details of Contracts/arrangement with the related form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. The related party transactions made by the Company with Promoter Company, have no potential conflict with the interest of the Company at large. The Company management ensures all the Related Party Transactions to establish Arm's Length Basis without any compromise.

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

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-A** to this report.

**PARTICULARS OF EMPLOYEES**

There are no employees covered under the provisions of Section 134 (3) (q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CORPORATE SOCIAL RESPONSIBILITY**

Provision relating CSR under section 135 of the Companies Act, 2013 is not applicable to the company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that :

- a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The directors had 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 the profit of the company for the same period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

**Acknowledgements :**

Your Directors wish to thank the Company's Bankers, Investors, Customers, Suppliers and Employees for their continuing support in the smooth functioning of your company.

Place : Coimbatore

Date : 24.08.2016

By Order of the Board,

V.S. Chinnaswamy  
Chairman  
(DIN : 01745060)

**Annexure-A****A. CONSERVATION OF ENERGY**

The company is making all round efforts for the conservation of energy. To reduce the energy cost, energy efficient equipments were used and the effects of the same have been felt. Total energy consumption and energy consumption per unit of production as prescribed in Form A as per annexure attached.

**B. TECHNOLOGY ABSORPTION**

Efforts made in Technology absorption as prescribed in Form : Only indigenous technology is used and Research and Development are carried by a separate Textile Research Association for Textile Units situated in Southern Region (SITRA). Research and Development activities are carried on by the company as a measure of quality control and for up gradation of existing products. Efforts are being made to enter into more sophisticated areas of manufacturing products.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the financial year 15-16 & previous financial year 14-15 there is/was no **earnings and outgo** of foreign exchange.

**FORM A**

(Form of Disclosure of particulars with respect of Conservation of Energy)

**A. Power and Fuel consumption :**

	Year ended 31.03.2016	Year ended 31.03.2015
<b>1. Electricity</b>		
a) Purchased (Units)	NIL	NIL
Total Amount	NIL	NIL
Rate / Unit	NIL	NIL
b) Own Generation		
i) Through Diesel Generator		
Units	NIL	NIL
Total Amount	NIL	NIL
Units per litre of diesel oil	NIL	NIL
Cost/Unit	NIL	NIL
ii) Through Steam Turbine/Generator	NIL	NIL
<b>2. Coal (specify quantity and where used)</b>	-- --	-- --
<b>3. Furnace Oil</b>	-- --	-- --
<b>4. Others/Internal Generation</b>	-- --	-- --
<b>B. Consumption per unit of production</b>		
Products (with details)	Yarn	Yarn
Unit	Kgs	Kgs
Electricity (40s Converted Yarn)	NIL	NIL
Furnace Oil	-- --	-- --
Coal (specify quality)	-- --	-- --
Others (specify)	-- --	-- --

**ADDENDUM TO THE BOARDS REPORT UNDER SUB SECTION (3)(f)(i) OF  
SECTION 134 OF COMPANIES ACT, 2013**

1. With regards to the auditor's remarks for non compliance of SEBI Guidelines, the management has made written letter to the concerned authorities asking sufficient time to comply guidelines and waiver of penalty. Since the notice was received in 2004, the 12 years period is over and the company ceased to be a listed Company with Madras Stock Exchange Ltd and has been placed on the Dissemination Board of NSE with effect from 01.12.2014, hence, this issue of penalty may be closed.
2. The unsecured loan was obtained from a director during the year 2001-02 out of which an amount of Rs.53,00,000/- has been pending for repayment and the director has ceased to be a director. This may be repaid forthcoming year.

Place : Coimbatore  
Date : 24.08.2016

By Order of the Board,

V.S. Chinnaswamy  
Chairman  
(DIN : 01745060)



**Annexure-B  
Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS :**

i. CIN	U17111TZ1935PLC000056
ii. Registration Date	12/02/1935
iii. Name of the Company	Gnanambikai Mills Limited
iv. Category/Sub-Category of the Company	Company Limited by Shares / Indian Non – Government Company
v. Address of the Registered Office and Contact details	3 <sup>rd</sup> Floor, Alankar Building, 551 Dewan Bhadhur Road, R.S. Puram, Coimbatore - 641 002.
vi. Whether listed company	Ceased to be a listed Company with Madras Stock Exchange Limited and has been placed on the Dissemination Board of NSE with effect from 01.12.2014.
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Not Applicable</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Rental Income	68100	75.71%
2.	Sale of Cotton Yarn	4751	24.29%

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

Sl. No.	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of SharesHeld	Applicable Section
	N A	N A	N A	N A	N A

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

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
a) Individual/HUF	NIL	4,93,065	4,93,065	91.34	NIL	4,93,065	4,93,065	91.34	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (1) :-</b>		<b>4,93,065</b>	<b>4,93,065</b>	<b>91.34</b>		<b>4,93,065</b>	<b>4,93,065</b>	<b>91.34</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (2):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		<b>4,93,065</b>	<b>4,93,065</b>	<b>91.34</b>		<b>4,93,065</b>	<b>4,93,065</b>	<b>91.34</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Venture Capital funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Others(specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. Non-Institutions</b>									
a) Bodies Corp	NIL	3,210	3,210	0.59	NIL	3,210	3,210	0.59	NIL
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

<i>i) Individual shareholders holding nominal share capital upto Rs. 1 lakh</i>	NIL	43,525	43,525	8.06	NIL	43,525	43,525	8.06	NIL
<i>ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>c) Others (Specify)</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	NIL	43,525	43,525	8.06	NIL	43,525	43,525	8.06	NIL
<b>Total Public Shareholding(B)= (B)(1)+ (B)(2)</b>	NIL	46,735	46,735	8.66	NIL	46,735	46,735	8.66	NIL
<i>1(C) Shares held by Custodian for GDRs &amp; ADRs</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>NIL</b>	<b>5,39,800</b>	<b>5,39,800</b>	<b>100.00</b>	<b>NIL</b>	<b>5,39,800</b>	<b>5,39,800</b>	<b>100.00</b>	<b>NIL</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri.V.S.Chinnaswamy	54,750	10.14	0	54,750	10.14	0	0.00
2	Shri.V.S.Kulandaivel	500	0.09	0	500	0.09	0	0.00
3	Smt.Banumathy Chinnaswamy	1,950	0.36	0	1,950	0.36	0	0.00
4	Shri.Ramkumar Giri	3,24,700	60.15	0	3,24,700	60.15	0	0.00
5	Smt. Saranya Ramkumar	750	0.14	0	750	0.14	0	0.00
6	Shri. Senthil Chinnasamy	6,975	1.29	0	6,975	1.29	0	0.00
7	Shri. M.Suresh	23,965	4.44	0	23,965	4.44	0	0.00
8	Shri. D.Ashok Kumar	20,820	3.86	0	20,820	3.86	0	0.00
9	Shri. M.Rathinasabapathy	9,555	1.77	0	9,555	1.77	0	0.00
10	Shri.C.N.Subramaniam	780	0.14	0	780	0.14	0	0.00
11	Shri. J.C. Krishnakumar	25,755	4.77	0	25,755	4.77	0	0.00
12	Smt. Purni Krishnakumar	22,565	4.18	0	22,565	4.18	0	0.00
	<b>Total</b>	<b>4,93,065</b>	<b>91.34</b>	<b>0</b>	<b>4,93,065</b>	<b>91.34</b>	<b>0</b>	<b>0.00</b>

iii) *Changes in Promoters' Shareholding :*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares to the Company	No. of Shares	% of total Shares to the Company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc) :	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the TOP 10 Shareholders				
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	N.A.	N.A.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>SENTHIL CHINNASAMY</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	6975 NO CHANGE 6975	1.29 DURING THE 1.29	6975 YEAR 6975	1.29  1.29
2	<b>V.S.CHINNASWAMY</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	54750 NO CHANGE 54750	10.14 DURING THE 10.14	54750 YEAR 54750	10.14  10.14

3.	<b>V. S. KULANDAIVEL</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	500 NO CHANGE 500	0.09 DURING THE YEAR 0.09	500 500	0.09 0.09
4.	<b>BANUMATHY CHINNASWAMY</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	1950 NO CHANGE 1950	0.36 DURING THE YEAR 0.36	1950 1950	0.36 0.36
5.	<b>C. N. SUBRAMANIAM</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	780 NO CHANGE 780	0.14 DURING THE YEAR 0.14	780 780	0.14 0.14
6.	<b>M. RATHINASABAPATHY</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	9555 NO CHANGE 9555	1.77 DURING THE YEAR 1.77	9555 9555	1.77 1.77
7.	<b>M. SURESH</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	23965 NO CHANGE 23965	4.44 DURING THE YEAR 4.44	23965 23965	4.44 4.44
8.	<b>D. ASHOK KUMAR</b> a) At the beginning of the year b) Changes during the year c) At the end of the year	20820 NO CHANGE 20820	3.86 DURING THE YEAR 3.86	20820 20820	3.86 3.86

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	461.16	61.55	522.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	461.16	61.55	522.71
<b>Change in Indebtedness during the financial year</b>				
• Addition	240.18	36.27	-	276.45
• Reduction	-	-	20.55	(20.55)
<b>Net Change</b>	240.18	36.27	20.55	255.90
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	240.18	497.43	41.00	778.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	240.18	497.43	41.00	778.61

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary	Senthil Chinnasamy	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	N A	N A	N A	12,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,55,740	N A	N A	N A	6,55,740
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N A	N A	N A	N A	N A
2	Stock Option	N A	N A	N A	N A	N A
3	Sweat Equity	N A	N A	N A	N A	N A
4	Commission- as % of profit- others, specify...	N A	N A	N A	N A	N A
5	Others, please specify	N A	N A	N A	N A	N A
	<b>TOTAL (A)</b>	<b>18,55,740</b>	<b>N A</b>	<b>N A</b>	<b>N A</b>	<b>18,55,740</b>
	Ceiling as per the Act	N A	N A	N A	N A	N A

## B. Remuneration to Other Directors: Not Applicable

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	<b>Independent Directors</b>				
	Fee for attending board / committee meetings	N A	N A	N A	N A
	Commission	N A	N A	N A	N A
	Others, please specify	N A	N A	N A	N A
	Total (1)	N A	N A	N A	N A
	<b>Other Non-Executive Directors</b>				
	Fee for attending board / committee meetings	N A	N A	N A	N A
	Commission	N A	N A	N A	N A
	Others, please specify	N A	N A	N A	N A
	Total (2)	N A	N A	N A	N A
	<b>Total (B)=(1+2)</b>	<b>N A</b>	<b>N A</b>	<b>N A</b>	<b>N A</b>
	Total Managerial Remuneration	N A	N A	N A	N A
	Overall Ceiling as per the Act	N A	N A	N A	N A

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: Not Applicable**

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission- as % of profit- others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	<b>TOTAL (C)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
	Ceiling as per the Act	NA	NA	NA	NA

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Not Applicable**

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

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GNANAMBIKAI MILLS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **GNANAMBIKAI MILLS LIMITED** ("the company"), which comprise the Balance Sheet as at **31<sup>st</sup> March 2016**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

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

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

**Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate financial control system over financial reporting and the operating effectiveness of the controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**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, 2016;
- b) in the case of the Statement of Profit and Loss, of the **Loss** 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.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

*The company has received demand notice on 16<sup>th</sup> November 2004 for levy of penalty of Rs.1,75,000/-from SEBI towards non compliance of guidelines and violation of take over regulations. The company has not made any provision and hence loss is understated and reserves and surplus is overstated to the extent.*

*A loan was obtained from a director during the year 2001-02 out of which an amount of Rs. 53,00,000/- has been pending for repayment and the director has ceased to be a director.*

Our opinion is not modified in respect of these matters.



**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the Annexure-A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure 'B'.
  - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules 2014 in our opinion and to our best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as below :

Note No. 41 The company has filed a case against M/s. Padmanabha Auto Weavers, M/s. Sri Vaari Spinning Mills and M/s. V.R. Textiles (P) Ltd., amounting Rs. 2,26,000/-, Rs. 19,19,337/- and Rs. 60,06,431/- respectively towards sale of cotton yarn and cotton, which is pending in the court.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR G. RAMASWAMY & CO.,**  
Chartered Accountants,  
Firm Reg. No. 002971S

**P.S. PARIMALAKANTHAN**  
Partner  
Membership No. 025381

Place : Coimbatore  
Date : 24.08.2016

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
 (b) According to the information and explanations furnished to us, all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;  
 c) As per the information and explanations and records provided for verification, all the immovable properties held by the company are owned by the company and the title deeds and other documents are held in the name of the company. Except the following Note No. 31. The company's title of land bearing SF.No. 305 & 324 in which to the extent of 62 cents is under dispute for which the suit are pending before of the Honourable High Court of Chennai.
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions clauses 3(a) and (b) are not applicable.
- (iv) The company has not provided any loan or investments or guarantees or securities which fall under the purview of sec 185 and 186 of the Companies Act 2013.
- (v) According to the information and explanations given to us, the company has not accepted deposits from the public and consequently the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us the company has generally been regularly in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax deducted at source, Sales-tax, Wealth tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and any other Statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31.03.2016 for a period of more than six months from the date they became payable.  
 (b) According to the information and explanations given to us, no disputed statutory dues pending as on the 31.03.2016.
- (viii) In our opinion and on the information and explanations given by the management, the Company has not defaulted in repayment of dues, if any, to financial institutions and banks.
- (ix) According to the information and explanations given to us, by the company, no fraud on or by the company has been noticed or reported, during the year.
- (x) In our opinion and according to the information and explanations given to us, the company has not raised any money by the way of initial public offer (including debt instruments) and in our opinion, the money raised by way of term loans during the year were applied for the purposes for which those are raised.
- (xi) The managerial remuneration paid by the company is as per section 197 of the companies Act, 2013 and schedule V of the Companies Act, 2013.
- (xii) The company is not a Nidhi company hence the provisions of clause 3(12) of the order is not applicable.
- (xiii) All transactions mentioned are in compliance with sec 188 of the Companies Act, 2013 and are disclosed as required under the applicable accounting standard.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(14) is not applicable.
- (xv) The company has not entered into any non-cash transactions with the directors or the persons connected with him which will come under the preview of sec 192 of the Companies Act, 2013.
- (xvi) As the company is not in non-banking financial services the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

**FOR G. RAMASWAMY & CO.,**  
 Chartered Accountants,  
 Firm Reg. No. 002971S

**P.S. PARIMALAKANTHAN**  
 Partner

Place : Coimbatore

Date : 24.08.2016

Membership No. 025381

**ANNEXURE-B TO THE AUDITORS' REPORT**

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GNANAMBIGAI MILLS LIMITED** ("the company"), as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing & evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

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

## Meaning of Internal Financial Controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of company.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over financial reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at 31.03.2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial control over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR G.RAMASWAMY & CO**  
Chartered Accountants  
Firm Reg. No. 002971 S

Place : Coimbatore  
Date : 24.08.2016

**P. S. PARIMALAKANTHAN**  
Partner  
Membership No.025381

## BALANCE SHEET FOR THE YEAR ENDED 31.03.2016

Particulars	Note No	Amount in Rs.	
		As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDERS FUNDS			
(a) Share Capital	1	53,98,000	53,98,000
(b) Reserves and Surplus	2	(33,12,500)	26,17,998
(c) Money received against share warrants		-	-
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
(3) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	3	7,78,61,454	5,22,71,081
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	90,24,562	72,16,015
(d) Long Term Provisions		-	-
(4) CURRENT LIABILITIES			
(a) Short-Term Borrowings	5	-	-
(b) Trade Payables	6	17,60,686	4,28,837
(c) Other Current Liabilities	7	68,39,203	58,14,997
(d) Short-Term Provisions	8	34,623	(15,710)
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,76,06,028</b>	<b>7,37,31,218</b>
<b>II. ASSETS</b>			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets	9		
(i) Tangible Assets		7,67,80,800	4,93,08,392
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	8,10,720
(iv) Fixed assets pertaining to discontinuing operations and held for sale		-	-
(b) Non-Current Investments	10	12,115	11,476
(c) Deferred Tax Asset	11	40,55,600	70,54,000
(d) Long Term Loans and Advances	12	23,73,788	40,22,968
(e) Other Non-Current Assets	13	2,40,830	2,40,830
(2) CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories	14	-	-
(c) Trade Receivables	15	81,52,368	84,18,761
(d) Cash and Bank Balances	16	26,25,360	14,64,915
(e) Short-Term Loans and Advances	17	20,05,200	14,13,814
(f) Other Current Assets	18	13,59,967	9,85,342
		<b>9,76,06,028</b>	<b>7,37,31,218</b>

**Notes on Financial Statements 1 to 26**

For and on behalf of the Board

V.S.Chinnaswamy  
ChairmanSenthil Chinnasamy  
Managing DirectorV.S.Kulandaivel  
DirectorM.Rathinasabapathy  
DirectorAs per our report of date annexed  
For G. Ramaswamy & Co.,  
Chartered Accountants  
Firm No:002971S  
P.S.Parimalakanthan  
Partner

Place : Coimbatore

Membership No. 025381

Date : 24.08.2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED - 31.03.2016

Particulars	Note.No	Amount in Rs.	
		As at 31.03.2016	As at 31.03.2015
I Revenue from Operations	19	32,37,302	-
II Other Income	20	1,00,85,195	32,83,902
III Total Revenue (I+II)		<u>1,33,22,497</u>	<u>32,83,902</u>
<b>IV Expenses :</b>			
Cost of Materials Consumed			
Purchase of Stock-in-Trade	21	32,19,915	-
Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade	-	-	-
Employee Benefit Expense	22	43,87,725	18,58,678
Financial Costs	23	5,70,119	2,56,464
Depreciation and Amortization Expense	24	6,09,453	17,40,288
Other Expenses	25	74,68,139	50,71,317
<b>Total Expenses (IV)</b>		<u>1,62,55,351</u>	<u>89,26,747</u>
V Profit / (Loss) before exceptional and extraordinary items and tax(III-IV)		(29,32,854)	(56,42,845)
VI Exceptional Items			
Profit on Sale of Assets		19,035	2,096
Loss on Sale of Assets		(18,280)	(28,04,298)
VII Profit / Loss before Extraordinary Items and Tax (V-VI)		<u>(29,32,099)</u>	<u>(84,45,047)</u>
VIII Extraordinary Items		--	--
IX Profit / (Loss) Before Tax (VII - VIII)		(29,32,099)	(84,45,047)
X Tax Expense :			
Current Tax		--	-
Deferred Tax		(29,98,400)	7,02,900
		<u>(29,98,400)</u>	<u>7,02,900</u>
XI Profit /(Loss) from the period from continuing operations (IX-X)		(59,30,499)	(77,42,147)
XII Profit / (Loss) from discontinuing operations		--	(5,53,956)
Gain/(Loss) on disposal of assets attributable to the Discontinuing Operations		--	--
XIII Tax Expense of discontinuing operations		--	--
Current Tax		--	--
a) on ordinary activities attributable to the discontinuing operations		--	--
b) on gain/(loss) on disposal of assets		--	--
XIV Profit / (Loss) from Discontinuing Operations (XII-XIII)		--	<u>(5,53,956)</u>
<b>XV Profit / (Loss) for the period (XI+XIV)</b>		<u><b>(59,30,499)</b></u>	<u><b>(82,96,103)</b></u>
XVI Earning per equity share :			
Basic			
Computed on the basis of loss from continuing Operations		(10.99)	(14.34)
Computed on the basis of total loss for the year		(10.99)	(15.37)
Diluted			
Computed on the basis of loss from continuing Operations		(10.99)	(14.34)
Computed on the basis of total loss for the year		(10.99)	(15.37)

**Notes on Financial Statements 1 to 26**

For and on behalf of the Board

V.S.Chinnaswamy  
ChairmanSenthil Chinnasamy  
Managing DirectorV.S.Kulandaivel  
DirectorM.Rathinasabapathy  
DirectorAs per our report of date annexed  
For G. Ramaswamy & Co.,  
Chartered Accountants  
Firm No:002971S  
P.S.Parimalakanthan  
Partner  
Membership No. 025381Place : Coimbatore  
Date : 24.08.2016

## NOTES ANNEXED TO THE BALANCE SHEET

	Amount in Rs. As at 31.03.2016	Amount in Rs. As at 31.03.2015
<b>Note 1 : SHARE CAPITAL</b>		
<u>AUTHORISED CAPITAL</u>		
2000 12% (Less Tax) Cumulative Preference Shares of Rs. 100 /- each	2,00,000	2,00,000
970000 Equity Shares of Rs. 10/- each	97,00,000	97,00,000
	<u>99,00,000</u>	<u>99,00,000</u>
<u>ISSUED CAPITAL</u>		
565480 Equity Shares of Rs. 10/- each	<u>56,54,800</u>	<u>56,54,800</u>
<u>SUBSCRIBED AND PAID UP CAPITAL</u>		
539800 Equity Shares of Rs. 10 /- each	<u>53,98,000</u>	<u>53,98,000</u>
<u>Reconciliation in number of shares</u>		
Opening	5,39,800	5,39,800
Issued during the year	-	-
	<u>5,39,800</u>	<u>5,39,800</u>
Brought Back during the year	-	-
Closing	<u>5,39,800</u>	<u>5,39,800</u>

Each equity shareholder is entitled to one vote per share. In the event of liquidation of the company the holder of equity share will be entitled to receive remaining assets of the company after settlement of all preferential amounts. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the Annual General Meeting.

There are Nil number of shares ( Previous Year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiary or associates of the holding company or the ultimate company in aggregate.

Shares in the company held by each shareholder holding more than 5% shares

Name of the Shareholder	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
V.S. Chinnaswamy	54750	10%	54750	10%
Ramkumar Giri	324700	60%	324700	60%

There are Nil number of shares ( Previous Year Nil) reserved for issue under option and contracts / commitment for the sale of shares / disinvestment including the terms and amounts.

For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No. of Shares	No. of Shares
Aggregate number and class of shares allotted as fully Paidup pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully Paidup by way of bonus shares	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil

There are no securities (Previous Year No ) convertible into Equity / Preferential Shares.

There are no calls unpaid ( Previous Year No) including calls unpaid by Directors and officers as on balance sheet date.

**Note 2 : RESERVES AND SURPLUS**

	Amount in Rs. As at 31.03.2016	Amount in Rs. As at 31.03.2015
<u>Revaluation Reserve</u>		
Opening Balance	4,09,48,602	4,09,48,602
Add: Additions during the year	-	-
	<u>4,09,48,602</u>	<u>4,09,48,602</u>
Less: Transfer to Profit & Loss account due to part sale of revalued asset #	-	-
<b>Sub - Total (A)</b>	<b><u>4,09,48,602</u></b>	<b><u>4,09,48,602</u></b>
<u>Surplus (Profit &amp; Loss Account)</u>		
Opening Balance	(3,83,30,603)	(3,00,34,501)
Add : Prior year Income tax provision written back	-	-
Add : Profit / (Loss) for the period	(59,30,499)	(82,96,103)
Add : Excess Prov. of the pervious year written Back	-	-
Add : Transfer from Revaluation Reserve	-	-
	<u>(4,42,61,102)</u>	<u>(3,83,30,604)</u>
Less : Transfer	-	-
<b>Sub - Total (B)</b>	<b><u>(4,42,61,102)</u></b>	<b><u>(3,83,30,604)</u></b>
<b>TOTAL (A) + (B)</b>	<b><u><u>(33,12,500)</u></u></b>	<b><u><u>26,17,998</u></u></b>

There is no reserve specifically represented by earmarked investments which can be termed as fund.

**Note 3 : LONG TERM BORROWINGS**Secured

Term Loan from Bank 2,40,18,101 -

The above Term loan is secured Industrial vacant Land at Thiruvalluvar Street, S.F.No.325/2C of Vellakinar Village,Coimbatore Corpn Tk & Dist to the extent of 1.54 acre.

The above loan is further guarantee by Managing Director Mr. Senthil Chinnasamy & Director Mr. D. Ashok Kumar

**For the year 31.03.2015**

Particulars	No. of Installments due	Maturity	Installments due	Rate of Interest
Nil	Nil	Nil	Nil	Nil

**For the year 31.03.2016**

Particulars	No. of Installments due	Maturity	Installments due	Rate of Interest
City Union Bank Ltd.	120 Months	31.03.2026	12,69,900	13.50%



**Unsecured**

<b>Deposit (Inter Corporate Borrowings)*</b>	41,00,000	61,55,000
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\* The above inter-corporate loan is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no. of installments to be paid. The above loan carries 6% rate of interest.

<b>Loans from Directors - Interest Free</b>	4,59,93,353	4,61,16,081
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\$ The above loan is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no. of installments to be paid. The above loan was an interest free loan so rate of interest is NIL.

Loan from Directors	37,50,000	-
(The above loan carries 9% rate of interest w.e.f. 01.04.2016)	<b>7,78,61,454</b>	<b>5,22,71,081</b>

**Note 4 : OTHER LONG TERM LIABILITIES**

- Trade Payables	-	-
- Creditors for Consumables	-	-
- Dues to Micro and Small Enterprises	-	-
- Dues to Others	-	-

Others

Creditors for Expenses	30,22,683	29,16,015
Rent Advance	60,01,879	43,00,000
	<b>90,24,562</b>	<b>72,16,015</b>

The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises development act 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31<sup>st</sup> March 2016 has been made in the financial statement based on information received and available with the company. Further in view of the management, the impact of Interest if any that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim for interest from supplier under the said act.

Particulars	31.03.2016	31.03.2015
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amount of the payments made to the supplier beyond the appointed day during the period.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

**Note 5 : SHORT TERM BORROWINGS**Secured

Loan Repayable on Demand from Bank	-	-
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The above working capital is secured by the hypothecation of stocks and books debts of the company.

The above working capital is secured Industrial Land at Thiruvalluvar Street, SF.No. 325/2C of Vellakinar Village, Coimbatore Corpn Tk & Dist to the extent of 1.54 acre.

The above loan is further guarantee by Managing Director Mr. Senthil Chinnasamy & Director Mr. D. Ashok Kumar

	-	-
	-	-

**Note 6 : TRADE PAYABLES**

Creditors for Raw Materials

- Dues to Micro and Small Enterprises	-	-
- Dues to Others	15,28,000	1,96,151

Creditors for Consumables

- Dues to Micro and Small Enterprises	-	-
- Dues to Others	14,485	14,485

Creditors for Contractors

- Dues to Micro and Small Enterprises	-	-
- Dues to Others	2,18,201	2,18,201

	<b>17,60,686</b>	<b>4,28,837</b>
	<b>17,60,686</b>	<b>4,28,837</b>

The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises development Act 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31<sup>st</sup> March 2016 has been made in the financial statement based on information received and available with the company. Further in view of the management, the impact of interest if any that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim for interest from supplier under the said act.

Particulars	31.03.2016	31.03.2015
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amount of the payments made to the supplier beyond the appointed day during the period.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

**Note 7 : OTHER CURRENT LIABILITIES**

	Amount in Rs. As at 31.03.2016	Amount in Rs. As at 31.03.2015
Current maturities of Long-Term Debt		
- Term Loan from Banks		
Secured	12,69,900	-
Unsecured	-	-
- HP Loan from Banks / Financial Institutions		
Secured	-	-
Unsecured	-	-
Interest Accrued and due on Borrowings	26,35,730	43,18,281
Liability for Other Finance	16,95,373	2,73,009
Creditors for Expenses	6,71,420	7,63,214
Outstanding Expenses	5,66,780	4,60,493
Advance from Customers	-	-
	<u><u>68,39,203</u></u>	<u><u>58,14,997</u></u>

**Note 8 : SHORT-TERM PROVISIONS**

<u>Provision for Employees Benefit</u>		
Provision for Gratuity	4,28,763	3,48,056
Less:Funded -Plan asset	<u>3,94,140</u>	<u>3,63,766</u>
-Gratuity Payable	34,623	(15,710)
<u>Others</u>		
Provisions for Income Tax	-	-
	<u><u>34,623</u></u>	<u><u>(15,710)</u></u>

**Note 10 : NON-CURRENT INVESTMENTS**

Trade Investments	Nil	Nil
Other Investments		
<u>a) Investments in Subsidiary, associates, joint venture or controlled special purpose entities</u>		
I) Investments in Equity Instruments	Nil	Nil
<u>b) Investments in Others</u>		
I) Investments in Equity Instruments		
Shanthi Gears Ltd., - 8000 shares @ Rs.1/- each		
Cost	2,000.00	2,000.00
Less : Provision for Fall in Value of Investments	0.00	2,000.00
Essar Steel India Ltd., - 195 shares @ Rs.10/- each		
Cost	24,156.00	24,156.00
Less : Provision for Fall in Value of Investments	22,206.00	1,950.00
Oswal Agro Mills Ltd.,-100 Shares @ Rs.10/- each		
Cost	12,225.00	12,225.00
Less : Provision for Fall in Value of Investments	11,143.00	1,082.00
Lloyds Finance Ltd.,-150 Share @ Rs.10/- each		
Cost	6,500.00	6,500.00
Less : Provision for Fall in Value of Investments	6,387.00	113.00

	31.3.2016		31.3.2015	
Patspin India Ltd., -100 Shares @ Rs.10/- each				
Cost	1,000.00		1,000.00	
Less : Provision for Fall in Value of Investments	210.00	790.00	300.00	700.00
Nahar Industrial Enterprises Ltd.,100 Shares @ Rs.10/- each				
Cost	12,000.00		12,000.00	
Less : Provision for Fall in Value of Investments	6,770.00	5,230.00	7,600.00	4,400.00
Asian Consolidated Ltd.,-500 shares @ Rs.10/-each				
Cost	16,000.00		16,000.00	
Less : Provision for Fall in Value of Investments	15,950.00	50.00	15,950.00	50.00
Uttam Value Steels Ltd.,-200 Shares @ Rs.10/- each				
Cost	6,000.00		6,000.00	
Less : Provision for Fall in Value of Investments	5,240.00	760.00	5,100.00	900.00
Western Paques Ltd.,-400 Shares @ Rs.10/- each				
Cost	26,000.00		26,000.00	
Less : Provision for Fall in Value of Investments	25,960.00	40.00	25,960.00	40.00
Steller Exports Ltd.,-1000 Shares @ Rs.10/-each				
Cost	10,000.00		10,000.00	
Less : Provision for Fall in Value of Investments	9,900.00	100.00	9,900.00	100.00
		<b>12,115.00</b>		<b>11,476.00</b>

Aggregate amount of quoted investment	<b>1,15,881</b>	<b>1,15,881</b>
Market Value of quoted investment	<b>6,72,515</b>	<b>3,16,725</b>
Aggregate amount of unquoted investment	-	-
Aggregate Provision for diminution in value of investments	-	-

**Note 11 : DEFERRED TAX ASSET**

Opening Balance	70,54,000	63,51,100
Adjustment during the year	(29,98,400)	7,02,900
	<b>40,55,600</b>	<b>70,54,000</b>

**Note 12 : LONG TERM LOANS AND ADVANCES**

## i) Capital Advances

Unsecured, considered good :

Advances Towards Capital Expenditure #	7,87,300	7,87,300
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## ii) Security Deposit

Secured, considered good :

Electricity Deposit	64,690	72,090
Deposit-Water Connection	64,660	54,660
Deposit - Telex	10,000	10,000
Director Gen Of Foreign Trade	8,29,674	8,29,674
Telephone Deposits	22,500	22,500
Indane Gas Deposits	1,550	1,550

Unsecured, considered good :

Security Deposits	4,44,580	4,44,580
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Deposits - Fuel - Ravichandra Oil Dealers	10,000	10,000
<u>Unsecured, considered good :</u>		
iii) Loans & Advances to Related Parties*	-	-
<u>Unsecured, considered good :</u>		
iv) Other Loans & Advances		
Advances to Suppliers #	-	-
Advances to Staff & Workers	-	-
Prior Year MAT Credit	1,38,834	1,38,834
Prepaid Expenses	-	-
<u>Doubtful</u>		
v) Other Loans & Advances		
Advances to Suppliers	-	16,51,780
	<u>23,73,788</u>	<u>40,22,968</u>

# There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

**Note 13 : OTHER NON-CURRENT ASSETS**

Long Term Trade Receivables		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :		
Trade Receivables #	2,40,830	2,40,830
c) Doubtful	-	-
Other Loans & Advances		
Additional Sales Tax	-	-
	<u>2,40,830</u>	<u>2,40,830</u>

# There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member .

**Note 14 : INVENTORIES** Nil Nil

**Note 15 : TRADE RECEIVABLES**

Outstanding for more than six months		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	81,52,368	81,52,368
c) Doubtful	-	-
Others *		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	-	2,66,393
c) Doubtful	-	-
	<u>81,52,368</u>	<u>84,18,761</u>

\* There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

	Amount in Rs. As at 31.03.2016	Amount in Rs. As at 31.03.2015
<b>Note 16 : CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents		
Cash on Hand	2,44,094	6,64,549
Other Bank Balances		
Balance with Banks	21,06,766	5,25,866
Banks Deposits < 12 Months	-	-
Banks Deposits > 12 Months	2,74,500	2,74,500
	<b>26,25,360</b>	<b>14,64,915</b>

**Note 17 : SHORT TERM LOANS & ADVANCES**  
(Unsecured, Considered good, Recoverable in Cash or Kind)

Others

(Advance Recoverable in cash or in kind or for value to be considered good)

Advances to Suppliers @	5,24,599	5,30,257
Advances to Staff & Workers	1,23,445	2,29,795
Deposits with Govt. / Other Authorities	500	500
Other Advances	1,000	1,000
Advance Income Tax / TDS	13,22,723	6,19,529
Prepaid Expenses	32,933	32,733
	<b>20,05,200</b>	<b>14,13,814</b>

**Note 18 : OTHER CURRENT ASSETS**

Unsecured, considered good;

Interest Accrued on Investments	1,52,525	1,19,697
Receivables	12,07,442	8,65,645
	<b>13,59,967</b>	<b>9,85,342</b>

## NOTE ANNEXED TO THE BALANCE SHEET

## NOTE 9 : FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Cost As on 01.04.2015	Additions	Transfer to Asset held for sale	Transfer/Sales	As on 31.03.2016	Up to 01.04.2015	Withdrawn	Transfer to Asset held for sale	Depn. For the Year	Up to 31.03.2016	As on 31.03.2016	As on 31.03.2015
<b>TANGIBLE</b>												
Land	4,11,58,122	-	-	-	4,11,58,122	-	-	-	-	-	4,11,58,122	4,11,58,123
Building	1,70,56,788	2,79,81,693	-	73,333	4,49,65,148	1,00,25,752	72,707	-	2,49,623	1,02,02,668	3,47,62,480	70,31,036
Furniture & Fittings	1,83,019	-	-	-	1,83,019	1,45,683	-	-	11,552	1,57,235	25,784	37,336
Vehicles	27,17,927	36,902	-	24,858	27,29,971	21,52,330	20,080	-	1,51,379	22,83,629	4,46,342	5,65,596
Office Equipments	8,47,784	79,615	-	3,59,502	5,67,897	6,35,104	3,58,894	-	51,952	3,28,162	2,39,735	2,12,680
Electrical Fittings	10,87,208	-	-	2,53,899	8,33,309	8,60,438	2,36,363	-	1,05,748	7,29,823	1,03,486	2,26,769
Computer	11,14,368	7,200	-	-	11,21,568	10,37,518	-	-	39,199	10,76,717	44,851	76,852
<b>Sub Total (A)</b>	<b>6,41,65,216</b>	<b>2,81,05,410</b>	-	<b>7,11,592</b>	<b>9,15,59,034</b>	<b>1,48,56,825</b>	<b>6,88,044</b>	-	<b>6,09,453</b>	<b>1,47,78,234</b>	<b>7,67,80,800</b>	<b>4,93,08,392</b>
<b>INTANGIBLE</b>												
<b>Sub Total (B)</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Work in Progress</b>												
Building- WIP	8,10,720	2,71,70,973	-	2,79,81,693	-	-	-	-	-	-	-	8,10,720
<b>Sub Total (C)</b>	<b>8,10,720</b>	<b>2,71,70,973</b>	-	<b>2,79,81,693</b>	-	-	-	-	-	-	-	<b>8,10,720</b>
<b>Total (A) + (B)+ (C)</b>	<b>6,49,75,936</b>	<b>5,52,76,383</b>	-	<b>2,86,93,285</b>	<b>9,15,59,034</b>	<b>1,48,56,825</b>	<b>6,88,044</b>	-	<b>6,09,453</b>	<b>1,47,78,234</b>	<b>7,67,80,800</b>	<b>5,01,19,112</b>
<b>PREVIOUS YEAR</b>	<b>7,35,40,042</b>	<b>10,47,777</b>	-	<b>96,11,880</b>	<b>6,49,75,939</b>	<b>1,86,27,717</b>	<b>55,11,178</b>	-	<b>17,40,288</b>	<b>1,48,56,827</b>	<b>5,01,19,112</b>	<b>5,49,12,324</b>

9.1) Gross block of land includes Rs. 5,97,35,744/- crores added on revaluation as at 10.09.2004 based on reports issued by valuers.

9.1) Out of the above revalued land Rs. 1,87,87,142/- crores was reduced from the revaluation account due to sale of a part of land during the year 2011 - 12. Hence, the gross block of land includes Rs. 4,09,48,602/- crores in revaluation of land based on reports issued by valuers.

## NOTES ANNEXED TO THE STATEMENT OF PROFIT AND LOSS

Amount in Rs.

	As at 31.03.2016	As at 31.03.2015
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**Note 19 : REVENUE FROM OPERATIONS**

Sale of Products	32,37,302	-
Other Operating Income	-	-
	<u>32,37,302</u>	<u>-</u>

**Note 20 : OTHER INCOME**

Interest Receipts	49,995	78,261
Dividend	4,000	4,000
Other Non-operating Income	16,986	29,945
Rental Income	1,00,14,214	31,71,696
	<u>1,00,85,195</u>	<u>32,83,902</u>

**Note 21 : PURCHASE OF STOCK IN TRADE**

Cotton Yarn Purchase		
Opening Stock	-	-
Add : Purchases	32,19,915	-
	<u>32,19,915</u>	<u>-</u>
Closing Stock	-	-
	<u>32,19,915</u>	<u>-</u>



## Amount in Rs.

	As at 31.03.2016	As at 31.03.2015
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**Note 22 : EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages and Bonus	21,89,926	10,79,835
Contribution to Provident & Other Funds	2,29,524	1,45,626
Labour Welfare Expenses	1,12,535	1,53,217
Managing Director's Remuneration	18,55,740	4,80,000
	<u>43,87,725</u>	<u>18,58,678</u>

**Note 23 : FINANCIAL COST**

Interest on Bank Loans / Overdraft from Banks	1,323	53,678
Interest on Vehicle Loan	-	-
Interest on Deposits	-	-
Interest Others	4,24,469	16,475
Bank Charges	1,44,327	1,86,311
	<u>5,70,119</u>	<u>2,56,464</u>

**Note 24 : DEPRECIATION AND AMORTIZATION EXPENSES**

Depreciation	6,09,453	17,40,288
	<u>6,09,453</u>	<u>17,40,288</u>

**Note 25 : OTHER EXPENSES**

Land Development Expenses	-	5,30,605
Power and Fuel	1,12,854	4,24,487
EB Charges	1,98,647	1,57,496
Rent	10,80,386	10,46,346
Repairs to Building	76,835	29,750
Insurance	70,904	1,04,269
Rates and Taxes	15,99,220	1,32,051
Auditors Remuneration	91,200	1,29,776
Prior Period Items	-	1,10,125
Miscellaneous Expenditure	42,38,093	24,06,412
	<u>74,68,139</u>	<u>50,71,317</u>

**Note 26**

Significant Accounting Policies and notes to accounts :

**1. a. Basis of preparation of Financial Statements :** The accompanying financial statements are prepared on the historical cost convention on a going concern basis, with revenue recognized and expenses accounted on accrual concept, and in accordance with the companies accounting standard rules 2006 as referred to in section 133 of the Companies Act, 2013 and in accordance with Indian Generally Accepted Accounting Principles and Accounting Standard issued by the Institute of Chartered Accountants of India, except the land which was revalued in the year 2003-2004.

**b. Fixed Assets :**

As approved by the Board of Directors, the Company decided to revalue its Land during the course of period so that the Shareholders would have a clear indication of the current value of their Company. The Land situated at Vellakinar Panchayat was revalued on 31.03.2004 on the basis of valuation report submitted by the Valuer including land donated by Late V.C. Subbia Gounder promoter of the company for the use of company on 11.03.1952. This revaluation has resulted in a surplus of Rs. 597.36/- Lakhs. Out of which Rs. 187.87/- Lakhs is withdrawn towards sale of portion of land and transferred to Profit & Loss account. The Balance Rs.409.49/- Lakhs is retained in the Revaluation Reserve, which it should be noted, is not available for distribution through the Profit and Loss Account.

Additions to the fixed assets acquired or constructed during the year, along with the borrowing cost and other related expenses up to date of completion of project incurred towards acquiring fixed assets are capitalized. The company has an internal system to assess the impairment of assets. Appropriate disclosure on material impairment of losses and their treatment in profit and loss account, classes of assets and nature of impairment will be made in the year in which the impairment is recognized.

All other assets are stated at historical cost less accumulated depreciation.

The company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its fixed assets. The exercise has not revealed any impairment of assets during the year 2015-16.

**c. Depreciation :**

Depreciation on fixed assets has been provided as per the schedule II of the companies Act,2013,depreciation on asset addition is provided on pro-rata basis.

**d. Inventories :**

Items of Inventory are valued on the basis given below.

- a. Cotton – Lower of the cost or Net Realisable Value.
- b. Yarn – Lower of the cost or Net Realisable Value.

**e. Borrowing Cost :**

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

**f. Investments :**

All Investments are long-term investments and are shown at cost inclusive of expenses incidental to acquisition. Permanent diminution in value, if any, will be written off as and when there is permanent reduction in value.

**g. Revenue Recognition :**

Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer which generally coincides with the despatch from the company's premises. Net sales includes sale of products.

**h. Employees Benefits :****a) Short Term :**

Short term employee benefits comprising of salary, bonus and other allowances are recognized as expenses as per the Company's scheme and charged to the profit and loss account.

**b) Post Retirement:****(i) Defined Contribution Plan :**

Post Retirement benefits comprise of provident fund, Employee State Insurance and Gratuity which are accounted as follows:

**Provident Fund**

This is defined plan and contributions made to the fund in accordance with applicable rules / statues are charged to revenue. The company has no further obligations for future provident fund benefits other than contributions made to the fund.

**Employee's State Insurance**

Company's Contribution to Employees State Insurance Corporation of India is a defined contribution plan and such contributions paid or payable during the year are charged to the profit and loss account.

**(ii) Defined Benefit Plan :**

Company's Liability towards Gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to built up the final obligation. The past services are recognized on a straight line basis over the average period until the amended benefit becomes vested. Actuarial gain or losses are recognized immediately in the statement of profit and loss account as income and expenses. Obligation is measured at the year end as present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligations.

The Company has taken a group gratuity Policy for future payment of gratuity with the Life Insurance Corporation of India (LIC). Payment of contribution as per the Demand made by LIC is charged to revenue.

Disclosure in respect of Accounting standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rule 2006.

	Particulars	Gratuity 2015-2016	Gratuity 2014-2015
A	Expense recognized during the year		
	1 Current Service Cost	10,763	15,475
	2 Interest Cost	27,148	21,850
	3 Expected return on plan assets	(32,739)	(30,036)
	4 Actuarial (Gain)/Loss during the year	45,161	30,603
	5 Expenses recognized in profit & loss Account	50,333	37,892
B	Actual return on plan assets		
	1 Expected return on plan assets	32,739	30,036
	2 Actuarial Gain/(loss) on Plan assets	(2,365)	0
	3 Actual return on plan assets	30,374	30,036
C	Net Asset/(Liability) recognized in the Balance Sheet		
	1 Present Value of the obligation at the year end	4,28,763	3,48,056
	2 Fair Value of plan assets at the year end	3,94,140	3,63,766
	3 Funded status - Surplus/(Deficit)	34,623	(15,710)
	4 Unrecognized past service cost	0	0

D	5 Net Asset/(Liability) recognized in the Balance Sheet	34,623	(15,710)
	Change in Present Value of the Obligation during the year		
	1 Present Value of the obligation as at the beginning of the year	3,48,056	2,80,128
	2 Current Service Cost	10,763	15,475
	3 Interest Cost	27,148	21,850
	4 Benefits Paid	0	0
	5 Actuarial (Gain)/loss on obligation	42,796	30,603
	6 Present Value of obligation at the year end	4,28,763	3,48,056
E	Charge in Assets during the year		
	1 Fair Value of plan assets at the beginning of the year	3,63,766	3,33,730
	2 Expected return on plan assets	32,739	30,036
	3 Contributions made	0	0
	4 Benefits Paid	0	0
	5 Actuarial Gain/(loss) on plan assets	(2,365)	0
	6 Fair value of plan assets at the year end	3,94,140	3,63,766
F	Actuarial Assumptions		
	1 Discount rate	7.90%	7.80%
	2 Salary escalation	6.00%	6.00%
	3 Expected rate of return on plan assets	8.35%	9.00%

**i. Foreign Currency Transactions :**

Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction. Any difference arising between amounts recorded and amount paid have been charged/credited to Profit & Loss Account.

**j. Contingent Liabilities :**

Contingent liabilities are generally not provided for and are disclosed by way of notes to the accounts. Contingent Liabilities not provided for in respect of :

	31.03.16	31.03.15
	Rs. in Lakhs	
a) Claims against the company not acknowledged as debt		
- Penalty towards SEBI	1.75	1.75
b) Guarantees		
- Bank Guarantees issued for Land Dispute	NIL	1.71
- EPCG	NIL	NIL
c) Other money for which company is contingently liable	NIL	NIL

**k. Cash flow statements :**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**l. Income Tax Expense :**

**Current Tax**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and based on the expected outcome of assessments/appeals.

Tax credit is recognized in respect of Minimum Alternative Tax (MAT) as per the provisions of section 115JB of the Income tax Act,1961 based on convincing evidence that the company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

**Deferred Tax**

Deferred tax charges on credit reflect the effects of timing differences between accounting income and taxable income for the period. The deferred tax charged or credit and the corresponding deferred tax liabilities or assets

are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

**m. Earning per Shares :**

The basic earning per Share ("EPS") is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the year. Details basic and diluted earning per share of face value of Rs.10/- each calculated as under

	<b>Amount (Rs)</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>
Net Loss after tax as disclosed in the P & L account	(59,30,499)	(82,96,103)
Less: Preference Dividend paid	NIL	NIL
Net Loss after Preference Dividend	<u>(59,30,499)</u>	<u>(82,96,103)</u>
Weighted Average number of Equity Shares	5,39,800	5,39,800
Basic and Diluted Earnings Per Share	(10.99)	(15.37)

**n. State VAT for Inputs**

State VAT -Input credit against Capital Goods are adjusted against relevant asset and net amount capitalised.

Input credit against remaining goods are accounted for by adjustments against cost of the relevant goods unadjusted State VAT Credit is carried over as advance.

**o. Accounting Standards**

The aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. Bank guarantee of Rs.8,29,674/- have been issued on behalf of the company by Central Bank of India in favour of Director General of Foreign Trade, New Delhi. Further the company has made refund application on 23.12.2004 to The Assistant Commissioner of Customs, the refund of the same was received on 24.06.2016.
3. Estimated amount of contracts to be executed on capital account and not provided for is Rs.NIL (Previous Year Rs.NIL)
4. The suit filed for recovery of debt amounting to Rs.2,40,830/- due from M/s. SSM Mills Limited are decreed in favour of the company in Honourable Court of Additional District Sessions judge of Coimbatore. The Court directing the defendant (SSM Mills Limited) to pay a sum of Rs.4,08,929/- including interest, as per court order. The Company has filed a petition to execute the degree before Honourable sub-ordinate Judge court in Thiruchangodu.
5. The company has accepted Inter-corporate deposit from the following companies in which the directors are interested.

	<b>31.03.2016</b>	<b>31.03.2015</b>
a. M/s. V.C.S. Spinners Pvt. Ltd.,	Rs. -	Rs. 20,55,000
b. M/s. GNM Textiles Private Ltd.	Rs. 41,00,000	Rs. 41,00,000

The company has repaid the ICD to M/s. V.C.S. Spinners Pvt.Ltd during the year along with interest accrued thereon.

6. Unsecured loans includes a sum of Rs.4,57,14,000/- towards deposits from the following shareholder namely.

	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>A. Fixed Deposits :</b>		
a. Shri. RamKumar Giri	Rs. 53,00,000	Rs. 53,00,000
<b>Total</b>	<u>Rs. 53,00,000</u>	<u>Rs. 53,00,000</u>
<b>B. Cumulative Deposits :</b>		
a. Shri. V.S.Chinnaswamy	Rs. 8,14,000	Rs. 8,14,000
b. Shri. Senthil Chinnasamy	Rs. -	Rs. 1,05,000
<b>Total</b>	<u>Rs. 8,14,000</u>	<u>Rs. 9,19,000</u>

<b>C. Fixed Deposits (Interest Free)</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
a. Shri. V.S.Chinnaswamy	Rs. 2,60,00,000	Rs. 2,60,00,000
b. Shri. Senthil Chinnasamy	Rs. 1,36,00,000	Rs. 1,36,00,000
<b>Total</b>	<b><u>Rs. 3,96,00,000</u></b>	<b><u>Rs.3,96,00,000</u></b>

7a. Unsecured loans includes a sum of Rs. 2,79,353/- towards interest free deposits from the following directors namely

**Cumulative Deposits (Interest Free)**

a. Shri. V.S.Chinnaswamy	Rs. 2,79,353	Rs. 2,79,353
b. Shri. Senthil Chinnasamy	Rs. -	Rs. 17,728
<b>Total</b>	<b><u>Rs. 2,79,353</u></b>	<b><u>Rs. 2,97,081</u></b>

b. Unsecured loan includes a sum of Rs. 37,50,000/- towards loan from the following director with interest at the rate of 9% w.e.f. 01.04.2016.

Shri. Senthil Chinnasamy	Rs. 37,50,000	Nil
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8. Liabilities for expenses includes a sum of Rs.13,70,059/- payable to the following directors of the company towards salaries :

	<b>31.03.2016</b>	<b>31.03.2015</b>
a. Shri. V.S.Chinnaswamy – Chairman	Rs. 2,22,948	Rs. 2,22,948
b. Shri. Senthil Chinnasamy -Managing Director	Rs. 4,58,611	Rs. 3,52,140
c. Shri. V.S.Kulandaivel – Director	Rs. 6,88,500	Rs. 6,88,500

9. Liabilities for expenses includes an amount of Rs. 12,20,846/- (PY Rs.12,36,906/-) due to M/s. V.C.S. Spinners Private Limited, in which the following directors are interested.

- a. Shri. V.S. Chinnaswamy
- b. Shri. Senthil Chinnasamy

10. Unsecured loan includes interest accrued and due on inter corporate deposit, an amount of Rs.26,35,730/- (PY Rs. 43,18,281/-) due to the following concerns in which Sri. V.S.Chinnaswamy and Sri. Senthil Chinnasamy are interested.

1. M/s. V.C.S. Spinners Private Limited Rs. 80,371/- (PY Rs. 19,60,547/-)
2. M/s. GNM Textiles Private Limited Rs. 25,55,359/- (PY Rs. 23,57,734/-)

11. The TNVAT Assessment of the company has been completed upto 31<sup>st</sup> March 2010 and CST Assessment of the company has been completed upto 31.03.2014. The company does not expect any liability in respect of pending Assessments.

12. Interest and Finance charges include a sum of Rs. 3,89,392/- (PY Rs.5,53,956/-) paid/credited for fixed deposits/inter corporate deposits accepted from directors and the company in which the directors were interested.

13. As per information available with the company, there are no dues outstanding including interest as on 31<sup>st</sup> March 16 to Small and Micro Enterprises as defined under Micro, Small & Medium Enterprises Development (MS MED) Act 2006.

14. Debtors/Creditors balances are subject to confirmation and reconciliation if any.

15. Prior period adjustment, extra ordinary and exceptional items have been disclosed separately.

16. Depreciation on fixed assets has been charged as prescribed under Part-C Schedule II of the Companies Act, 2013 as detailed below :

a. Assets acquired up to 31.12.1978	-	Written down Value Method
b. Assets acquired from 01.01.1982 to 31.03.1991	-	Written Down Value Method
c. Other Assets	-	Written Down Value Method

17. The Income Tax assessment of the company have been completed up to assessment year 2013-2014.

18. Figures for the previous year have been regrouped /rearranged wherever necessary.

19. Auditors Remuneration:			
Audit Fees		80,000	80,000
Tax Audit Fees		-	-
Representation Fees		-	35,500
Prior year fees-Taxation		-	-
Service Tax		11,200	14,276
Other Services		-	-
		91,200	1,29,776
20. Bills and Cheque Discounted		Nil	Nil
21. Raw-Material Consumeds			
Cotton/Waste	Kgs.	Nil	Nil
Indigenous	Kgs.	Nil	Nil
	Rs.	Nil	Nil
	%	Nil	Nil
Imported	Kgs.	Nil	Nil
22. Stores and Spares Consumed			
Indigenous	Rs.	Nil	Nil
	%	Nil	Nil
Imported	Rs.	Nil	Nil
	%	Nil	Nil
23. Value of Import on CIF basis		Rs.	Rs.
a) Raw-Materials		Nil	Nil
b) Capital goods		Nil	Nil
c) Components and Spare parts (Machinery)		Nil	Nil
24. Expenditure in Foreign Currency - Others		Nil	Nil
25. Amounts remitted during the year in Foreign Currency on Account of dividend		Nil	Nil
26. Earnings in foreign currency on all accounts		Nil	Nil
27. Consequent to Accounting Standard – 18 issued by ICAI on “Related Party Disclosure” following persons will be considered as related persons for the year ended as on 31 <sup>st</sup> March 2016.			
01. Alankar Business Corporation (P) Limited		Same Management	
02. Madurai Soft (P) Limited		Same Management	
03. Alankar Business Services (P) Limited		Same Management	
04. Alankar Super Market (P) Limited		Same Management	
05. Sakthi Soft Drinks (P) Limited		Same Management	
06. Vee.Cee.Yes Industries (P) Limited		Same Management	
07. V.C.S.Spinner Private Limited		Same Management	
08. Anoor Chandikadevi Textiles Private Limited		Same Management	
09. G.N.M.Textiles Private Limited		Same Management	
10. Willow Hill Private Limited		Same Management	
11. GNM Mechatek Private Limited		Same Management	
12. Mr. V.S.Chinnaswamy		Chairman	
13. Mr. V.S. Kulandaivel		Director	
14. Mr. Senthil Chinnasamy		Managing Director	
15. Mr. Ramkumar Giri		Relative to the Director	

Related party relationships are as identified by the company

a) List of related parties & relationship

(Rs. in thousands)

Sl.No	Related Party Transaction	Companies under the Same management		Key Managerial Personnel		Total	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1	Unsecured Loan Recd.	-	-	3750	-	3750	-
2	ICD, Accrued Interest Paid	4055	-	-	-	4055	-
3	Rent	-	-	1080	1044	1080	1044
4	Remuneration & Perquisites	-	-	1856	480	1856	480
5	Interest	389	554	-	-	389	554

28. Deferred Tax Liabilities/ Assets

	31.03.2016	31.03.2015
	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation difference between book of account and Income tax Act, :	1,79,120	5,30,026
43B Liabilities/Other Expenses :	92,739	64,446
Unabsorbed losses :	37,83,697	75,19,533
	<u>40,55,556</u>	<u>75,83,979</u>

Net Deferred Tax Assets/(Liabilities) :	40,55,600	70,53,953
Less: Opening Deferred Tax Asset	70,54,000	63,51,077
Net Deferred Tax charged to Statement of Profit & Loss	(29,98,400)	7,02,876

Note: Due to the closure of business the company has considered has option of recognising the deferred tax asstt on the basis of virtual certainty.

29. Guest House Expenses of Rs. 1,29,038/- (P.Y.Rs.44,658/-) included in Repairs & Maintenance have been paid in accordance with the resolution passed in that connection and the same has been approved and confirmed by the Board of Directors of the Company.
30. Sundry Parties Written Back is Rs. Nil/- (Previous Year Rs. 28,251/-) included other income represents balance due to sundry creditors not claimed. The same has been approved and confirmed by the Board of Directors of the Company.
31. The company's title of land bearing SF.No. 305 & 324 in which to the extent of 62 cents is under dispute for which the suit are pending before of the Honourable High Court of Chennai.
32. Sundry parties written off of Rs.16,51,780 (Nil/-).
33. The Company has received inter corporate Deposit of Rs.41.00 Lakhs from M/s. GNM Textiles Private Limited for expansion purpose on 09.09.2005, in which Sri. V.S. Chinnaswamy and Sri.Senthil Chinnasamy are interested.
34. The company's main business segment is trading of cotton yarn and rental income. Hence, there is no separate reportable segment as per the accounting standard 17( AS-17).



35. The Company has provided minimum bonus to employees in the books. The bonus will be determined at the time of payment.
36. The Company has paid an Advance payment of Rs. 7.87 lakhs in the year 2007 to M/s. Lakshmi Machine Works Limited, Coimbatore for purchase of 2 Nos. LRSB 851 Draw Frame and 2 Nos. of LF1400 Simplex Machines.
37. The Company has imported/purchased the new textile machineries under EPCG scheme during the year 2006-2007, 2007-2008 and 2010-2011 amounting to Rs. 489.16/- Lakhs for which the company has to fulfill the Export Obligation of Rs. 995.88/- lakhs within a period of 8 years in respect of which the company has provided the Bank Guarantee for Rs. 36,25,000/-, out of which Rs.17,95,000/- withdrawn previous year. The Company has been fulfilled entire obligation through merchant exporter and received Export obligation Discharge Certificate (EODC) from JDGFT office, Coimbatore out of which the EODC for an Export Obligation of Rs.442.38/- lakhs, forwarded to The Assistant Commissioner, Customs Tuticorion for cancellation of Bank Guarantee, which is in process.
38. Borrowing cost capitalised during the year as per AS 16 is Rs.10,40,471/- (Previous Year Rs. Nil/-).
39. The company has letout portion of mill building to M/s. Texmo Industries and receiving 100% of the rent from 01.10.2015 onwards as per agreement.
40. The Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company is ceased to be a listed company and moved on to Dissemination Board of NSE. Your company has ceased to be a listed Company with Madras Stock Exchange Limited and has been placed on the Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of your company ceased to be a listed Company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1935PLC000056. Hence, the Compliances of Listing Agreement, Secretarial Audit under Section 204 of the Companies Act, 2013 and read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company.
41. The company has filed a case against M/s. Padmanabha Auto Weavers, M/s. Sri Vaari Spinning Mills and M/s. V.R. Textiles (P) Ltd amounting Rs. 2,26,600/-, Rs. 19,19,337/- and Rs. 60,06,431/- respectively towards sale of cotton yarn and cotton, which is pending in the court.
42. The Company explore the possibility of extending the trading of cotton yarn and cotton. In addition to that efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company. The company has let out portion of mill building to M/s. Texmo Industries as per the memorandum amended as per the approval of shareholders on 18<sup>th</sup> February 2013.
43. The company has received from Mr. Senthil Chinnasamy Managing Director Rs. 37,50,000/- towards unsecured loan for building renovation purpose. The rate of interest @ 9% per annum with effect from 01.04.2016.
44. The company has received revised assessment order from Urban Land Tax authorities for land owned by the company. Further, the order fixed Rs. 68,708/- per year from 1981 onwards (Fasali 1391) which comes Rs.13,90,728/- as a additional liability to the company. During the year 2015-16 adequate provision has been made in the books of the company. The company has been requested the ULT authorities for 10% tax concession for major industries sector.

45. Discontinuing operations as per AS-24.

The following statement shows the revenue and expenses of discontinuing operations

Particulars	31.03.2016	31.03.2015
Revenue	-	-
Expenses	-	5,53,956
Profit/(loss) from operating activities	-	-
Finance costs	-	-
Depreciation /amortization	-	-
Profit/(loss)before exceptional and extraordinary items and tax	-	-
Add: Exceptional Item		
Profit on Sale of Assets	-	-
Less:Extraordinary Item		
Loss of Fire Accident	-	-
<b>Profit/(Loss) before tax</b>	-	<b>5,53,956</b>
Income -tax expense	-	-
<b>Profit/(loss) after tax</b>	-	<b>5,53,956</b>

The carrying amounts of the total assets and liabilities to be disposed of at 31<sup>st</sup> March are as follows. Comparative information is included in accordance with AS-24 Discontinuing Operations.

Particulars	31.03.2016	31.03.2015
Total asstes	-	-
Total Liabilities	-	-
<b>Net Assets</b>	-	-

The net cash flows attributable are as below

Particulars	31.03.2016	31.03.2015
Operating activities	-	-
Investing activities	-	-
Financing activities	-	-
<b>Net cash inflow/(out flow)</b>	-	-

V.S. Chinnaswamy  
Chairman

Senthil Chinnasamy  
Managing Director

As per our report of date annexed  
For G. Ramaswamy & Co.,  
Chartered Accountants  
Firm No:002971S

V.S. Kulandaivel  
Director

M. Rathinasabapathy  
Director

P.S.Parimalakanthan  
Partner  
Membership No. 025381

Place : Coimbatore  
Date : 24.08.2016

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2016**  
( Rs. in Thousands)

	As at 31.03.2016	As at 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ Loss before Tax from Continuing Operations	(29,32,099)	(84,45,047)
Net Profit/loss before Tax from Discontinuing Operations	-	(5,53,956)
<b>Net Profit/Loss before Tax and extraordinary items</b>	<b>(29,32,099)</b>	<b>(89,99,003)</b>
<b>Adjustment for:</b>		
Depreciation on Continuing Operatiосns	6,09,453	17,40,288
Depreciation on Discontinuing Operations	-	-
Interest & Finance charges on Borrowings	3,368	6,12,488
Interest & Dividend Income	(53,995)	(82,261)
Fall in Value of Investments	(638)	(596)
Profit on sale of Assets	(19,035)	(2,096)
Loss on sale of Assets	18,280	28,04,298
Profit on sale of Land and Building	-	-
<b>Operating Profit before working capital changes</b>	<b>(23,74,666)</b>	<b>(39,26,882)</b>
<b>Adjustments :</b>		
Trade & Other receivables	2,66,393	59,14,222
Inventories	-	-
Loans & Advances	6,83,169	6,72,401
Current Liabilities	42,14,935	39,58,834
<b>Cash generated from Operations</b>	<b>27,89,832</b>	<b>66,18,575</b>
Cash generated from Operations before extraordinary items	27,89,832	66,18,575
<b>Extraordinary Items :</b>		
<b>Net Cash from Operating Activities</b>	<b>27,89,832</b>	<b>66,18,575</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase or Decrease in Investments	-	-
Sale of Fixed Assets	24,303	12,98,500
Acquisition of Fixed Assets	(2,72,94,690)	(10,47,777)
Interest Received	49,995	78,261
Dividend Received	4,000	4,000
<b>Net Cash from Investing Activities</b>	<b>(2,72,16,392)</b>	<b>3,32,984</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital	-	-
Proceeds from Long Term Borrowings	2,55,90,373	-
Increase / Decrease in Short term loans	-	(54,62,191)
Interest Paid	(3,368)	(6,12,488)
<b>Net Cash used in financing activities</b>	<b>2,55,87,005</b>	<b>(60,74,679)</b>
Net increase in cash & cash equivalents	11,60,445	8,76,881
Net increase in cash & cash equivalents ( Opening )	14,64,915	5,88,034
<b>Net increase in cash &amp; cash equivalents ( Closing )</b>	<b>26,25,360</b>	<b>14,64,915</b>

V.S. Chinnaswamy  
Chairman

Senthil Chinnasamy  
Managing Director

As per our report of date annexed  
For G. Ramaswamy & Co.,  
Chartered Accountants  
Firm No:002971S

V.S. Kulandaivel  
Director

M. Rathinasabapathy  
Director

P.S.Parimalakanthan  
Partner  
Membership No. 025381

Place : Coimbatore  
Date : 24.08.2016

**Form No. MGT-11**

**Proxy Form**

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

C I N : U17111TZ1935PLC000056  
Name of the Company : GNANAMBIKAI MILLS LIMITED  
Registered Office : No. 551, Alankar Building, III Floor, D.B. Road,  
R.S. Puram, Coimbatore - 641 002.

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 the above named company, hereby appoint.

1. Name :  
Address :  
  
E-mail Id :  
Signature : ..... or failing him

2. Name :  
Address :  
  
E-mail Id :  
Signature : ..... or failing him

3. Name :  
Address :  
  
E-mail Id :  
Signature : ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf of the 79<sup>th</sup> Annual General Meeting to be held on Friday, the 30<sup>th</sup> September 2016 at 4.45 PM at registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below :  
Resolution No.

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

Signed this ..... day of ..... 20.....



Signature of Shareholder

Signature of Proxy Holder(s)

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

# **GNANAMBIKAI MILLS LIMITED**

**79th Annual Report**

for the year ended 31<sup>st</sup> **March, 2016**

**BOOK POST**

Printed Matter

To

If Undelivered please return to :

**GNANAMBIKAI MILLS LIMITED**

Registered Office :

Alankar Building, III Floor, 551, D.B. Road, R.S. Puram,  
Coimbatore - 641 002.