

GNANAMBIKAI MILLS LIMITED
CIN : L17111TZ1935PLC000056
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 78th Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Alankar Building, III Floor, 551, D.B. Road, R.S. Puram, Coimbatore-641 002, on Wednesday, 30th September 2015 at 4.15 PM to transact the following business. All members are requested to attend.

A G E N D A

ORDINARY BUSINESS :

1. To receive, consider and adopt the accounts for the period ended 31st March, 2015, the Balance Sheet as on 31st March 2015 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 Smt. Banumathy Chinnaswamy, having (DIN01745007) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri.M.Suresh, having (DIN 01868013) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint 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.

SPECIAL BUSINESS :

5. To consider and if deemed fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
RESOLVED THAT pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or reenactment(s) thereof, for the time being in force) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the consent of the members be and is hereby accorded for the appointment of Shri Senthil Chinnasamy as Managing Director of the Company for a period of three years from 01.04.2015 to 31.03.2018 and payment of following remuneration for the aforesaid period on the terms and conditions as approved by the Remuneration Committee in its meeting.

I. REMUNERATION

Remuneration payable to the Managing Director.

Salary - Rs. 1,00,000/- per month.

II. PERQUISITES

In addition to the Salary, the Managing Director shall also be entitled to perquisites like HRA, Medical Reimbursement, LTA for self and Family, Entertainment Expenditure reimbursement etc in accordance with the rules of the company, such perquisites including Salary being restricted to Rupees 30 Lakhs (Rupees Thirty Lakhs) per annum. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the income tax rules wherever applicable. Company's contribution to Provident Fund and Superannuation Fund as per rules of the Company, to the extent these, either singly or together are not taxable under the Income Tax Act, 1961 shall not be included in the computation of the ceiling on remuneration or perquisites. Gratuity payable shall not exceed half a month's salary for each completed year of service. Managing Director is entitled to encashment of leave at the end of tenure, which shall not be included in the computation of the ceiling on remuneration or perquisites. Provision of a Company's Car with Driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the Car for private purposes shall be billed by the Company to the Managing Director. The minimum Remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of Office shall be as per Schedule V of the Companies Act, 2013.

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

TO RECORD THE LETTER RECEIVED FOR THE MOVEMENT OF THE COMPANY FROM MADRAS STOCK EXCHANGE LIMITED (MSE) TO DISSEMINATION BOARD OF NSE

RESOLVED THAT the letter dated 03.12.2014 from MSE informing the movement of company from MSE to the Dissemination board of NSE with effect from 01.12.2014 is hereby read and recorded.

RESOLVED FURTHER THAT the shareholders have considered and confirmed that the company has ceased to be a listed company with MSE and has been placed on the Dissemination Board of NSE with effect from 01.12.2014.

Place : Coimbatore

Date : 28.08.2015

By Order of the Board,

Senthil Chinnasamy
Managing Director
(DIN : 00020229)

Notes :

1. The Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business at the meeting set out in the notice is annexed hereto.
2. 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.
3. 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.
4. Members/Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. The Register of members and Share transfer books of the company will remain closed from 24.09.2015 to 30.09.2015 (both days inclusive).
6. 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.
7. 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF
THE COMPANIES ACT, 2013**

Item No. 5

The Managing Director term expires on 18th August 2015 and the boards of directors of the company have re-appointed him with revision in the salary for the period of three years subject to the approval of the members with effect from 01.04.2015 to 31.03.2018, on the terms and conditions as set out in the proposed resolution of the notice.

As the appointment and remuneration of the Managing Director requires the approval of shareholders. Hence, the resolution is proposed for your approval.

Except the following directors, no other directors are interest in the proposed resolution.

1. Shri.V.S.Chinnaswamy
2. Smt.Banumathy Chinnaswamy
3. Shri. Senthil Chinnasamy

Item No. 6

Following the exit of Madras Stock Exchange limited in which the shares of the company were listed, your Company has received letter dated 03.12.2014 from Madras Stock Exchange limited forming that, the company is ceased to be a listed company and is being moved on to the Dissemination Board of NSE with effect from 01.12.2014.

Hence, the company is not a listed company pursuant to the letter and is hereby placed for shareholders in the Annual General Meeting.

None of the Directors of the company are interested in this resolution.

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors are pleased to present the 78th 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^S March, 2015. The summarized financial results for the year ended 31st March, 2015 are as under :

FINANCIAL PERFORMANCE

The Performance of the Company for the Financial Year ended 31st March, 2015 is summarized below :

| Particular for the financial year | 31.03.2015 | 31.03.2014 |
|--|--------------------|--------------------|
| Total Revenue | 32,83,902 | 4,18,76,649 |
| Less: Total Expenses(excluding Finance Cost, Depreciation and Amortisation Expense & Exceptional Items and Tax) | (69,29,995) | (4,56,91,785) |
| Profit Before Interest and Depreciation | (36,46,093) | (38,15,136) |
| Less: Finance Cost / Interest | (2,56,464) | (6,53,896) |
| Less: Depreciation & Amortisation Expense | (17,40,288) | (11,30,967) |
| Less: Exceptional items | (28,02,202) | (2,39,475) |
| Profit Before Tax | (84,45,047) | (58,39,474) |
| Less: Tax | 7,02,900 | (35,64,100) |
| Profit After Tax(from continuing operations) | (77,42,147) | (94,03,574) |
| Add: Profit After Tax (from discontinuing operations) | (5,53,956) | 78,58,353 |
| Profit / (Loss) for the Year | (82,96,103) | (15,45,221) |

DIVIDEND

Yours Directors regret their inability to recommend any dividend for the financial year ended 31st March, 2015 in view of inadequacy of profits.

PERFORMANCE REVIEW

During the financial year under review, the loss before depreciation and tax were Rs.67.04 lakhs as against Rs.47.08 lakhs in the previous year. The movement of yarn was very poor compare to previous year which due to import of yarn and fabrics from China at cheaper rate. There is a general recession in textile industry, hence movement of cotton is also downward trend and realization also poor. Therefore the trading activities has come standstill 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 50% of rent during the part of the year for pre construction period and full rent will be received with effect from 01.10.2015 as per agreement.

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

During the year under review, there has been change in the Board of your Company. Shri.C.N.Subramaniam, Director of your company having Director Identification Number 02420285, has expired on 01.08.2015 due to the age factor. Board expressed their deep condolence for the sad demise of Shri.C.N.Subramaniam, Director of the Company and the Board records its appreciation for the contribution made by the director during his tenure.

In accordance with the Companies Act, 2013 and the company's Articles of Association, Smt. Banumathy Chinnaswamy and Shri.M.Suresh 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 **5 times** during the financial year from 01st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows : **28th April 2014, 12th August 2014, 15th November 2014, 20th February, 2015 and 20th March 2015**. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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 31st March, 2015 and the date of this report i.e., 28th August, 2015.

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. 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 2014-15 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.

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

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015**

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

I. REGISTRATION AND OTHER DETAILS :

| | |
|--|---|
| i. CIN | L17111TZ1935PLC000056 |
| 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 | IIIrd 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 | Not Applicable |

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 | 100% |

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 | |
| A. Promoters | | | | | | | | | |
| 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 |
| Sub-total (A) (1) :- | | 4,93,065 | 4,93,065 | 91.34 | | 4,93,065 | 4,93,065 | 91.34 | |
| (2) Foreign | | | | | | | | | |
| 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 |
| Sub-total (A) (2):- | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | | 4,93,065 | 4,93,065 | 91.34 | | 4,93,065 | 4,93,065 | 91.34 | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| 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 |
| g) FIs | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| h) Foreign Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| i) Others (specify) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (B)(1):- | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 2. Non-Institutions | | | | | | | | | |
| 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 |
| Sub-total (B)(2):- Total Public | NIL | 43,525 | 43,525 | 8.06 | | 43,525 | 43,525 | 8.06 | NIL |
| Shareholding(B)= (B)(1)+(B)(2) 1(C)Shares held by Custodian for GDRs & ADRs | NIL | 46,735 | 46,735 | 8.66 | | 46,735 | 46,735 | 8.66 | NIL |
| <i>Grand Total (A+B+C)</i> | NIL | 5,39,800 | 5,39,800 | 100.00 | NIL | 5,39,800 | 5,39,800 | 100.00 | NIL |

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 | |
| | | | | | | | | |

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/ swca tequity 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. | For Each of the TOP 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | 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. | For Each of the Directors and KMP | 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 | SENTHIL CHINNASAMY 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 | V.S. CHINNASWAMY 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. | V.S. KULANDAIVEL 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 0.09 | 500 YEAR 500 | 0.09 0.09 |
| 4. | BANUMATHY CHINNASWAMY 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 0.36 | 1950 YEAR 1950 | 0.36 0.36 |
| 5. | C.N. SUBRAMANIAM 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 0.14 | 780 YEAR 780 | 0.14 0.14 |
| 6. | M. RATHINASABAPATHY 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 1.77 | 9555 YEAR 9555 | 1.77 1.77 |

| | | | | | |
|----|---|------------------------------|----------------------------|------------------------|------------------|
| 7. | M. SURESH a) At the beginning of the year b) Changes during the year c) At the end of the year | 23965 NO CHANGE 239655 | 4.44 DURING THE 4.44 | 23965 YEAR 23965 | 4.44 4.44 |
| 8. | D. ASHOK KUMAR 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 3.86 | 20820 YEAR 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 |
|---|-------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |
| Change in Indebtedness during the financial year • Addition • Reduction | NIL | NIL | NIL | NIL |
| Net Change | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

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 | 4,80,000 | N A | N A | N A | 4,80,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | N A | N A | N A | N A | N A |

| | | | | | | |
|---|--|-----------------|------------|------------|------------|-----------------|
| | (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 |
| | TOTAL (A) | 4,80,000 | N A | N A | N A | 4,80,000 |
| | Ceiling as per the Act | N A | N A | N A | N A | N A |

B. Remuneration to Other Directors: Not Applicable

| <i>Sl. No.</i> | <i>Particulars of Remuneration</i> | <i>Name of Directors</i> | | | <i>Total amount</i> |
|----------------|--|--------------------------|-----|-----|---------------------|
| | <i>Independent Directors</i> | | | | |
| | 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 |
| | <i>Other Non-Executive Directors</i> | | | | |
| | 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 |
| | Total (B)=(1+2) | N A | N A | N A | N A |
| | 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

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

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) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | N A | N A | N A | N A | N A |
| Punishment | N A | N A | N A | N A | N A |
| Compounding | N A | N A | N A | N A | N A |
| B. DIRECTORS | | | | | |
| Penalty | N A | N A | N A | N A | N A |
| Punishment | N A | N A | N A | N A | N A |
| Compounding | N A | N A | N A | N A | N A |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | N A | N A | N A | N A | N A |
| Punishment | N A | N A | N A | N A | N A |
| Compounding | N A | N A | N A | N A | N A |

(ii) Shareholding of Promoter

| 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 | 324,700 | 60.15 | 0 | 324,700 | 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 |
| | Total | 4,93,065 | 91.34 | 0 | 4,93,065 | 91.34 | 0 | 0.00 |

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 2014-15.

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-B** to this report.

PARTICULARS OF EMPLOYEES

There are no employees covered under the provisions of Section 196 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 31st March, 2015, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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 : 28.08.2015

By Order of the Board,

V.S. Chinnaswamy
Chairman
(DIN : 01745060)

Annexure-B**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 B: 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 14-15 & previous financial year 13-14 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 31.03.2015 | Year ended 31.03.2014 |
|--|--------------------------|--------------------------|
| 1. Electricity | | |
| 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 |
| 2. Coal (specify quantity and where used) | -- -- | -- -- |
| 3. Furnace Oil | -- -- | -- -- |
| 4. Others/Internal Generation | -- -- | -- -- |
| B. Consumption per unit of production | | |
| 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 on advance and deposits includes amounting to Rs.16,51,780/- represents advance made in earlier years to suppliers, consider doubtful of recovery, the management has been taken necessary steps to recover the amount and hope that recovery of the same in the near future.
2. With regards to the auditor's remarks the Company has received a letter dated on 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 with effect from 01.12.2014. 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.
3. With regards to the auditor's remarks, the Company explore the possibility of extending the trading of cotton yarn and cotton. The company has let out portion of mill building to M/s Texmo Industries as per the memorandum amended as per the approval of shareholder on 18th February 2013. The management has taken necessary steps to improve the business activities by entering new areas & products and to increase the revenue of the company in the ensuing year.
4. 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 11 years period is over and the company ceased to be a listed Company with MSE 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.

Place : Coimbatore
Date : 28.08.2015

By Order of the Board,

V.S. Chinnaswamy
Chairman
(DIN : 01745060)

**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 March 2015**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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. 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 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, 2015;
- 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:

"Note No. 31 Advance and deposits includes amounting to Rs.16,51,780/- represents advance made to in earlier years to suppliers considered doubtful of recovery and not provided for, as the management is hopeful of their recovery."

"Note No.42: The company has letout portion of mill building to Texmo Industries and receiving 50% of the rent from 01.10.2014 onwards for pre construction period and full rent will be received from 01.10.2015 onwards as per agreement."

"Note No.: 43 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. Hence, Company has not complied with the Listing Agreement Compliances, 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."

"Note No.45: The company explore the possibility of extending the trading of cotton yarn and cotton. In addition efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company."

Though the company has sold all its major assets and scaled down its main operations, financials are prepared on basis of going concern principle. The management claims that company has pursued its main objective of property management as it has leased its factory building to M/s Texmo Industries as per the memorandum amended after the approval of shareholders on 18th February 2013.

The company has received demand notice on 16th 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 provision to the extent.

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, 2015 ("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 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 – **Refer Note No.44** to the financial statements;
 - 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 : 28.08.2015

ANNEXURE 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;
- (ii) (a) As explained to us, the inventories have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company has maintained proper records for inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records;
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
Accordingly the provisions (a) and (b) of clause 3(iii) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year but has taken loan in previous year and balance at end is Rs.5,22,71,081/-.(P.Y. Rs.5,22,71,081/-) out of which interest free loan from director amounts to Rs.4,61,16,081(P.Y.Rs.4,61,16,081). 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 complied.
- (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) The Company has generally been regularly in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and any other Statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31.03.2015 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 31.03.2015.
- (c) According to the information and explanation given to us, there are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Company has accumulated losses more than 50% of its paid up capital and free reserves as at the end of the year excluding revaluation reserve of Rs.4,09,48,602/- and company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (ix) The company has not taken any borrowings from banks, financial institution or by way of debentures. Therefore the provisions of clause 3(ix) of the order are not applicable to the company.
- (x) The company has not given any guarantee for loans taken by others from bank or financial institutions. The terms and conditions whereof are not prejudicial to the interest of the company;
- (xi) The company has not taken any term loan during the year and accordingly the provisions of clause 3(xi) of the order are not applicable.
- (xii) To the best of our knowledge and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

FOR G. RAMASWAMY & CO.,

Chartered Accountants,

Firm Reg. No. 002971 S

P.S. PARIMALAKANTHAN

Partner

Membership No. 025381

Place : Coimbatore

Date : 28.08.2015

BALANCE SHEET FOR THE YEAR ENDED 31.03.2015

| Particulars | Note No | Amount in Rs. | |
|--|---------|---------------------------|---------------------------|
| | | As at 31.03.2015 | As at 31.03.2014 |
| I. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS FUNDS | | | |
| (a) Share Capital | 1 | 53,98,000 | 53,98,000 |
| (b) Reserves and Surplus | 2 | 26,17,998 | 1,09,14,101 |
| (c) Money received against share warrants | | - | - |
| (2) SHARE APPLICATION MONEY PENDING ALLOTMENT | | - | - |
| (3) NON-CURRENT LIABILITIES | | | |
| (a) Long-Term Borrowings | 3 | 5,22,71,081 | 5,22,71,081 |
| (b) Deferred Tax Liabilities (Net) | | - | - |
| (c) Other Long Term Liabilities | 4 | 72,16,015 | 32,44,105 |
| (d) Long Term Provisions | | - | - |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | 5 | - | 54,62,191 |
| (b) Trade Payables | 6 | 4,28,837 | 6,80,703 |
| (c) Other Current Liabilities | 7 | 58,14,997 | 56,14,098 |
| (d) Short-Term Provisions | 8 | (15,710) | (53,602) |
| TOTAL EQUITY & LIABILITES | | <u>7,37,31,218</u> | <u>8,35,30,677</u> |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | 9 | | |
| (i) Tangible Assets | | 4,93,08,392 | 5,49,12,324 |
| (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 | 11,476 | 10,881 |
| (c) Deferred Tax Asset | 11 | 70,54,000 | 63,51,100 |
| (d) Long Term Loans and Advances | 12 | 40,22,968 | 64,11,563 |
| (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 | 84,18,761 | 1,43,32,983 |
| (d) Cash and Bank Balances | 16 | 14,64,915 | 5,88,034 |
| (e) Short-Term Loans and Advances | 17 | 14,13,814 | 5,36,510 |
| (f) Other Current Assets | 18 | 9,85,342 | 1,46,452 |
| | | <u>7,37,31,218</u> | <u>8,35,30,677</u> |

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 : 28.08.2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED - 31.03.2015

| Particulars | Note.No | Amount in Rs. | |
|---|---------|---------------------------|---------------------------|
| | | As at 31.03.2015 | As at 31.03.2014 |
| I Revenue from Operations | 19 | - | 4,14,94,728 |
| II Other Income | 20 | 32,83,902 | 3,81,921 |
| III Total Revenue (I+II) | | <u>32,83,902</u> | <u>4,18,76,649</u> |
| IV Expenses : | | | |
| Cost of Materials Consumed | | | |
| Purchase of Stock-in-Trade | 21 | - | 4,03,76,067 |
| Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade | - | - | - |
| Employee Benefit Expense | 22 | 18,58,678 | 9,60,532 |
| Financial Costs | 23 | 2,56,464 | 6,53,896 |
| Depreciation and Amortization Expense | 24 | 17,40,288 | 11,30,967 |
| Other Expenses | 25 | 50,71,317 | 43,55,186 |
| Total Expenses (IV) | | <u>89,26,747</u> | <u>4,74,76,648</u> |
| V Profit / (Loss) before exceptional and extraordinary items and tax(III-IV) | | (56,42,845) | (55,99,999) |
| VI Exceptional Items | | | |
| Profit on sale of Assets | | 2,096 | |
| Loss on Sale of Assets | | (28,04,298) | (2,39,475) |
| VII Profit / Loss before Extraordinary Items and Tax (V-VI) | | <u>(84,45,047)</u> | <u>(58,39,474)</u> |
| VIII Extraordinary Items | | -- | -- |
| IX Profit / (Loss) Before Tax (VII - VIII) | | (84,45,047) | (58,39,474) |
| X Tax Expense : | | | |
| Current Tax | | -- | - |
| Deferred Tax | | 7,02,900 | (35,64,100) |
| | | <u>7,02,900</u> | <u>(35,64,100)</u> |
| XI Profit /(Loss) from the period from continuing operations (IX-X) | | (77,42,147) | (94,03,574) |
| XII Profit / (Loss) from discontinuing operations | | (5,53,956) | (47,00,170) |
| II) Gain/(Loss) on disposal of assets attributable to the Discontinuing Operations | | - | 1,25,58,523 |
| XIII Tax Expense of discounting 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> | <u>78,58,353</u> |
| XV Profit / (Loss) for the period (XI+XIV) | | <u>(82,96,103)</u> | <u>(15,45,221)</u> |
| XVI Earning per equity share : | | | |
| Basic | | | |
| Computed on the basis of loss from continuing Operations | | (14.34) | (17.42) |
| Computed on the basis of total loss for the year | | (15.37) | (2.86) |
| Diluted | | | |
| Computed on the basis of loss from continuing Operations | | (14.34) | (17.42) |
| Computed on the basis of total loss for the year | | (15.37) | (2.86) |

Notes on Financial Statements 1 to 26

For and on behalf of the Board

V.S. Chinnaswamy
ChairmanSenthil Chinnasamy
Managing DirectorAs per our report of date annexed
For G. Ramaswamy & Co.,
Chartered Accountants
Firm No:002971S
P.S.Parimalakanthan
Partner
Membership No. 025381V.S. Kulandaivel
DirectorM. Rathinasabapathy
DirectorPlace : Coimbatore
Date : 28.08.2015

NOTES ANNEXED TO THE BALANCE SHEET

| | Amount in Rs. As at 31.03.2015 | Amount in Rs. As at 31.03.2014 |
|---|--------------------------------------|--------------------------------------|
| Note 1 : SHARE CAPITAL | | |
| <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 or 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 31.03.2015 | Amount in Rs. As at 31.03.2014 |
|--|--------------------------------------|--------------------------------------|
| <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 # | - | - |
| Sub – Total (A) | <u>4,09,48,602</u> | <u>4,09,48,602</u> |
| <u>Surplus (Profit & Loss Account)</u> | | |
| Opening Balance | (3,00,34,501) | (2,84,89,280) |
| Add : Prior year Income tax provision written back | - | - |
| Add : Profit / (Loss) for the period | (82,96,103) | (15,45,221) |
| Add : Excess Prov. of the pervious year written Back | - | - |
| Add : Transfer from Revaluation Reserve | - | - |
| | <u>(3,83,30,604)</u> | <u>(3,00,34,501)</u> |
| Less : Transfer | - | - |
| Sub – Total (B) | <u>(3,83,30,604)</u> | <u>(3,00,34,501)</u> |
| TOTAL (A) + (B) | <u>26,17,998</u> | <u>1,09,14,101</u> |

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

Note 3 : LONG TERM BORROWINGSUnsecured

| | | |
|---------------------------------------|-----------|-----------|
| Deposit (Inter Corporate Borrowings)* | 61,55,000 | 61,55,000 |
|---------------------------------------|-----------|-----------|

* 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 9% rate of interest.

| | | |
|----------------------|-------------|-------------|
| Loans from Directors | 4,61,16,081 | 4,61,16,081 |
|----------------------|-------------|-------------|

\$ 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 a interest free loan so rate of interest is NIL.

| | |
|--------------------|--------------------|
| <u>5,22,71,081</u> | <u>5,22,71,081</u> |
|--------------------|--------------------|

Note 4 : OTHER LONG TERM LIABILITIES

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

Others

| | | |
|------------------------|-----------|-----------|
| Creditors for Expenses | 29,16,015 | 29,44,105 |
|------------------------|-----------|-----------|

| | | |
|--------------|-----------|----------|
| Rent Advance | 43,00,000 | 3,00,000 |
|--------------|-----------|----------|

| | |
|------------------|------------------|
| <u>72,16,015</u> | <u>32,44,105</u> |
|------------------|------------------|

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 31st March 2015 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 | 31.03.2015 | 31.03.2014 |
|--|------------|------------|
| 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 BORROWINGSSecured

| | | |
|------------------------------------|---|-----------|
| Loan Repayable on Demand from Bank | - | 54,62,191 |
|------------------------------------|---|-----------|

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 with AC sheet roof building at Thiruvalluvar Street, S.F.No.360/1 of Vellakinar Village, Coimbatore Corpn Tk & Dist to the extent of 1 acre.

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

| | |
|---|------------------|
| - | 54,62,191 |
|---|------------------|

Note 6 : TRADE PAYABLES

Creditors for Raw Materials

| | | |
|---------------------------------------|---|---|
| - Dues to Micro and Small Enterprises | - | - |
|---------------------------------------|---|---|

| | | |
|------------------|----------|----------|
| - Dues to Others | 1,96,151 | 4,22,602 |
|------------------|----------|----------|

Creditors for Consumables

| | | |
|---------------------------------------|---|---|
| - Dues to Micro and Small Enterprises | - | - |
|---------------------------------------|---|---|

| | | |
|------------------|--------|--------|
| - Dues to Others | 14,485 | 39,900 |
|------------------|--------|--------|

Creditors for Contractors

| | | |
|---------------------------------------|---|---|
| - Dues to Micro and Small Enterprises | - | - |
|---------------------------------------|---|---|

| | | |
|------------------|----------|----------|
| - Dues to Others | 2,18,201 | 2,18,201 |
|------------------|----------|----------|

| | |
|-----------------|-----------------|
| 4,28,837 | 6,80,703 |
|-----------------|-----------------|

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 31st March 2015 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 | 31.03.2015 | 31.03.2014 |
|--|------------|------------|
| 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 31.03.2015 | Amount in Rs. As at 31.03.2014 |
|---|--------------------------------------|--------------------------------------|
| Current maturities of Long-Term Debt | | |
| - Term Loan from Banks | | |
| Secured | - | - |
| Unsecured | - | - |
| - HP Loan from Banks / Financial Institutions | | |
| Secured | - | - |
| Unsecured | - | - |
| Interest Accrued and due on Borrowings | 43,18,281 | 38,91,417 |
| Liability for Other Finance | 2,73,009 | 2,69,620 |
| Creditors for Expenses | 7,63,214 | 10,04,503 |
| Outstanding Expenses | 4,60,493 | 4,48,558 |
| Advance from Customers | - | - |
| | 58,14,997 | 56,14,098 |

Note 8 : SHORT-TERM PROVISIONSProvision for Employees Benefit

| | | |
|---------------------------|-----------------|-----------------|
| Provision for Gratuity | 3,48,056 | 2,80,128 |
| Less:Funded -Plan asset | 3,63,766 | 3,33,730 |
| -Gratuity Payable | (15,710) | (53,602) |
| <u>Others</u> | | |
| Provisions for Income Tax | - | - |
| | (15,710) | (53,602) |

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> | | |
| l) Investments in Equity Instruments | Nil | Nil |
| <u>b) Investments in Others</u> | | |
| l) 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 | 0.00 |
| | 2,000.00 | 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 |
| | 2,950.00 | 24,136.50 |
| Oswal Agro Mills Ltd.,-100 Shares @ Rs.10/- each | | |
| Cost | 12,225.00 | 12,225.00 |
| Less : Provision for Fall in Value of Investments | 11,001.00 | 1,224.00 |
| | 1,224.00 | 1,224.00 |
| Lloyds Finance Ltd.,-150 Share @ Rs.10/- each | | |
| Cost | 6,500.00 | 6,500.00 |
| Less : Provision for Fall in Value of Investments | 6,388.00 | 112.00 |
| | 112.00 | 6,447.50 |
| | 52.50 | 52.50 |

| | 31.3.2015 | | 31.3.2014 | |
|---|-----------|-----------------|-----------|------------------|
| Patspin India Ltd., -100 Shares @ Rs.10/- each | | | | |
| Cost | 1,000.00 | | 1,000.00 | |
| Less : Provision for Fall in Value of Investments | 300.00 | 700.00 | 435.00 | 565.00 |
| Nahar Industrial Enterprises Ltd.,100 Shares @ Rs.10/- each | | | | |
| Cost | 12,000.00 | | 12,000.00 | |
| Less : Provision for Fall in Value of Investments | 7,600.00 | 4,400.00 | 6,500.00 | 5,500.00 |
| 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 | 5,100.00 | 900.00 | 4,670.00 | 1,330.00 |
| 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 |
| | | 11,476 | | 10,881.00 |
| Aggregate amount of quoted investment | | 1,15,881 | | 1,15,881 |
| Market Value of quoted investment | | 3,16,725 | | 3,16,725 |
| Aggregate amount of unquoted investment | | - | | - |
| Aggregate Provision for diminution in value of investments | | - | | - |

Note 11 : DEFERRED TAX ASSET

| | | |
|----------------------------|------------------|------------------|
| Opening Balance | 63,51,100 | 99,15,200 |
| Adjustment during the year | 7,02,900 | 35,64,100 |
| | 70,54,000 | 63,51,100 |

Note 12 : LONG TERM LOANS AND ADVANCES

i) Capital Advances

Unsecured, considered good :

| | | |
|--|----------|----------|
| Advances Towards Capital Expenditure # | 7,87,300 | 7,87,300 |
|--|----------|----------|

ii) Security Deposit

Secured, considered good :

| | | |
|-------------------------------|----------|-----------|
| Electricity Deposit | 72,090 | 24,37,277 |
| Deposit-Water Connection | 54,660 | 54,660 |
| Deposit - Telex | 10,000 | 10,000 |
| Director Gen Of Foreign Trade | 8,29,674 | 8,29,674 |
| Telephone Deposits | 22,500 | 45,908 |
| Indane Gas Deposits | 1,550 | 1,550 |

Unsecured, considered good :

| | | |
|---|----------|----------|
| Security Deposits | 4,44,580 | 4,44,580 |
| Deposits - Fuel - Ravichandra Oil Dealers | 10,000 | 10,000 |

Unsecured, considered good :

| | | |
|---|---|---|
| iii) Loans & Advances to Related Parties* | - | - |
|---|---|---|

Unsecured, considered good :

| | | |
|-----------------------------|----------|----------|
| iv) Other Loans & Advances | | |
| Advances to Suppliers # | - | - |
| Advances to Staff & Workers | - | - |
| Prior Year MAT Credit | 1,38,834 | 1,38,834 |
| Prepaid Expenses | - | - |

Doubtful

| | | |
|---------------------------|------------------|------------------|
| v) Other Loans & Advances | | |
| Advances to Suppliers | 16,51,780 | 16,51,780 |
| | <u>40,22,968</u> | <u>64,11,563</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

(As valued and certified by the Management)

| | | |
|------------------------|----------|----------|
| Raw Materials - Cotton | - | - |
| Work in Process | - | - |
| Finished Goods - Yarn | - | - |
| Stores, Spares & Fuel | - | - |
| Cotton Waste | - | - |
| Mess Stock | - | - |
| | <u>-</u> | <u>-</u> |

Items of Inventories are valued on the following basis :

| | |
|-------------------|--|
| Raw Materials | |
| Cotton | Specific Identification Cost |
| Work in Progress | Average Cost |
| Finished Goods | Valued at lower of cost or net realisable value |
| Yarn | Valued at lower of cost or net realisable value |
| Stores and Spares | Valued at cost (FIFO Basis) |
| Cotton Waste | Valued at lower of standard cost or net realisable value |
| Mess Stock | Valued at cost (FIFO Basis) |

| | Amount in Rs. As at 31.03.2015 | Amount in Rs. As at 31.03.2014 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Note 15 : TRADE RECEIVABLES | | |
| Outstanding for more than six months | | |
| a) Secured, Considered Good : | - | - |
| b) Unsecured, Considered Good : | 81,52,368 | 57,10,121 |
| c) Doubtful | - | - |
| Others * | | |
| a) Secured, Considered Good : | - | - |
| b) Unsecured, Considered Good : | 2,66,393 | 86,22,862 |
| c) Doubtful | - | - |
| | <u><u>84,18,761</u></u> | <u><u>1,43,32,983</u></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 16 : CASH AND BANK BALANCES

| | | |
|----------------------------|-------------------------|------------------------|
| Cash & Cash Equivalents | | |
| Cash on Hand | 6,64,549 | 2,56,177 |
| Other Bank Balances | | |
| Balance with Banks | 5,25,866 | 57,357 |
| Banks Deposits < 12 Months | - | - |
| Banks Deposits > 12 Months | 2,74,500 | 2,74,500 |
| | <u><u>14,64,915</u></u> | <u><u>5,88,034</u></u> |

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 @ | 5,30,257 | 15,329 |
| Advances to Staff & Workers | 2,29,795 | 55,795 |
| Deposits with Govt. / Other Authorities | 500 | 500 |
| Other Advances | 1,000 | 1,000 |
| Advance Income Tax / TDS | 6,19,529 | 4,05,848 |
| Prepaid Expenses | 32,733 | 58,038 |
| | <u><u>14,13,814</u></u> | <u><u>5,36,510</u></u> |

Note 18 : OTHER CURRENT ASSETS

OTHER CURRENT ASSETS

Unsecured, considered good;

| | | |
|---------------------------------|------------------------|------------------------|
| Interest Accrued on Investments | 1,19,697 | 89,395 |
| Receivables | 8,65,645 | 57,057 |
| | <u><u>9,85,342</u></u> | <u><u>1,46,452</u></u> |

NOTE ANNEXED TO THE BALANCE SHEET

NOTE 9 : FIXED ASSETS

(Amount in Rupees)

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | | | | |
|---------------------------------|-----------------------|------------------|---------------------------------|------------------|--------------------|--------------------|------------------|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Cost As on 01.04.2014 | Additions | Transfer to Asset held for sale | Transfer / Sales | As on 31.03.2015 | Up to 01.04.2014 | Withdrawn | Transfer to Asset held for sale | Depn. For the Year | Up to 31.03.2015 | As on 31.03.2015 | As on 31.03.2014 |
| TANGIBLE | | | | | | | | | | | | |
| Land | 4,11,58,123 | - | - | - | 4,11,58,123 | - | - | - | - | - | 4,11,58,123 | 4,11,58,123 |
| Building | 2,66,45,734 | - | - | 95,88,945 | 1,70,56,789 | 43,67,484 | 54,88,447 | - | 11,46,716 | 1,00,25,753 | 70,31,036 | 1,22,78,247 |
| Plant & Machinery | - | - | - | - | - | - | - | - | - | - | - | - |
| Furniture & Fittings | 1,83,019 | - | - | - | 1,83,019 | 1,26,663 | - | - | 19,020 | 1,45,683 | 37,336 | 56,357 |
| Vehicles | 27,07,668 | 33,195 | - | 22,935 | 27,17,928 | 19,73,286 | 22,731 | - | 2,01,777 | 21,52,332 | 5,65,596 | 7,34,383 |
| Office Equipments | 7,51,022 | 96,762 | - | - | 8,47,784 | 4,79,869 | - | - | 1,55,235 | 6,35,104 | 2,12,680 | 2,71,153 |
| Electrical Fittings | 10,70,308 | 16,900 | - | - | 10,87,208 | 7,12,536 | - | - | 1,47,903 | 8,60,439 | 2,26,769 | 3,57,772 |
| Computer | 10,24,168 | 90,200 | - | - | 11,14,368 | 9,67,879 | - | - | 69,637 | 10,37,516 | 76,852 | 56,289 |
| Canteen Vessels | - | - | - | - | - | - | - | - | - | - | - | - |
| INTANGIBLE | | | | | | | | | | | | |
| Sub Total (A) | 7,35,40,042 | 2,37,057 | - | 96,11,880 | 6,41,65,219 | 1,86,27,717 | 55,11,178 | - | 17,40,288 | 1,48,56,827 | 4,93,08,392 | 5,49,12,324 |
| Capital Work in Progress | | | | | | | | | | | | |
| Building - WIP | - | 8,10,720 | - | - | 8,10,720 | - | - | - | - | - | 8,10,720 | - |
| Sub Total (B) | 8,10,720 | 8,10,720 | - | - | 8,10,720 | - | - | - | - | - | 8,10,720 | - |
| Total (A) + (B) | 7,35,40,042 | 10,47,777 | - | 96,11,880 | 6,49,75,939 | 1,86,27,717 | 55,11,178 | - | 17,40,288 | 1,48,56,827 | 5,01,19,112 | 5,49,12,324 |
| PREVIOUS YEAR | 7,55,96,690 | | 8,11,74,612 | 8,32,31,258 | 7,35,40,044 | 9,63,20,184 | 38,87,271 | 7,53,60,510 | 15,55,317 | 1,86,27,720 | 5,49,12,324 | 5,58,88,013 |

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 31.03.2015 | As at 31.03.2014 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

Note 19 : REVENUE FROM OPERATIONS

| | | |
|------------------------|----------|--------------------|
| Sale of Products | - | 4,14,94,728 |
| Other Operating Income | - | - |
| | <u>-</u> | <u>4,14,94,728</u> |

Note 20 : OTHER INCOME

| | | |
|----------------------------|------------------|-----------------|
| Interest Receipts | 78,261 | 1,10,907 |
| Dividend | 4,000 | 12,900 |
| Other Non-operating Income | 29,945 | 2,58,114 |
| Rental Income | 31,71,696 | - |
| | <u>32,83,902</u> | <u>3,81,921</u> |

Note 21 : PURCHASE OF STOCK IN TRADE

| | | |
|-------------------|----------|--------------------|
| Cotton - Purchase | | |
| Opening Stock | - | - |
| Add : Purchases | - | 4,03,76,067 |
| | - | 4,03,76,067 |
| Closing Stock | <u>-</u> | <u>4,03,76,067</u> |

Amount in Rs.

| | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

Note 22 : EMPLOYEE BENEFIT EXPENSES

| | | |
|---|-------------------------|------------------------|
| Salaries, Wages and Bonus | 10,79,835 | 2,94,741 |
| Contribution to Provident & Other Funds | 1,45,626 | 28,378 |
| Labour Welfare Expenses | 1,53,217 | 1,57,413 |
| Managing Director's Remuneration | 4,80,000 | 4,80,000 |
| | <u>18,58,678</u> | <u>9,60,532</u> |

Note 23 : FINANCIAL COST

| | | |
|---|------------------------|------------------------|
| Interest on Bank Loans / Overdraft from Banks | 53,678 | 4,25,860 |
| Interest on Vehicle Loan | - | 5,097 |
| Interest on Deposits | - | - |
| Interest Others | 16,475 | 14,966 |
| Bank Charges | 1,86,311 | 2,07,973 |
| | <u>2,56,464</u> | <u>6,53,896</u> |

Note 24 : DEPRECIATION AND AMORTIZATION EXPENSES

| | | |
|--------------|-------------------------|-------------------------|
| Depreciation | 17,40,288 | 11,30,967 |
| | <u>17,40,288</u> | <u>11,30,967</u> |

Note 25 : OTHER EXPENSES

| | | |
|---------------------------|-------------------------|-------------------------|
| Land Development Expenses | 5,30,605 | - |
| Power and Fuel | 4,24,487 | - |
| EB Charges | 1,57,496 | 1,64,062 |
| Rent | 10,46,346 | 9,47,148 |
| Repairs to Building | 29,750 | 2,50,765 |
| Insurance | 1,04,269 | 1,23,641 |
| Rates and Taxes | 1,32,051 | 3,41,376 |
| Auditors Remuneration | 1,29,776 | 1,62,922 |
| Prior Period Items | 1,10,125 | - |
| Miscellaneous Expenditure | 24,06,412 | 23,65,272 |
| | <u>50,71,317</u> | <u>43,55,186</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 sub section 3C of section 211 of the Companies Act, 1956 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 2014-15.

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 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 2014-2015 | Gratuity 2013-2014 |
|---|---|-----------------------|-----------------------|
| A | Expense recognized during the year | | |
| | 1 Current Service Cost | 15,475 | 24,898 |
| | 2 Interest Cost | 21,850 | 26,692 |
| | 3 Expected return on plan assets | (30036) | (21,102) |
| | 4 Actuarial (Gain)/Loss during the year | 30,603 | (64,786) |
| | 5 Expenses recognized in profit & loss Account | 37,892 | (34,298) |
| B | Actual return on plan assets | | |
| | 1 Expected return on plan assets | 30,036 | 21,102 |
| | 2 Actuarial Gain/(loss) on Plan assets | 0 | 0 |
| | 3 Actual return on plan assets | 30,036 | 21,102 |
| C | Net Asset/(Liability) recognized in the Balance Sheet | | |
| | 1 Present Value of the obligation at the year end | 3,48,056 | 2,80,128 |
| | 2 Fair Value of plan assets at the year end | 3,63,766 | 3,33,730 |
| | 3 Funded status - Surplus/(Deficit) | (15,710) | (53,602) |
| | 4 Unrecognized past service cost | 0 | 0 |
| | 5 Net Asset/(Liability) recognized in the Balance Sheet | (15,710) | (53,602) |

| | | | |
|---|---|----------|----------|
| D | Change in Present Value of the Obligation during the year | | |
| 1 | Present Value of the obligation as at the beginning of year | 2,80,128 | 2,93,324 |
| 2 | Current Service Cost | 15,475 | 24,898 |
| 3 | Interest Cost | 21,850 | 26,692 |
| 4 | Benefits Paid | 0 | 0 |
| 5 | Actuarial (Gain)/loss on obligation | 30,603 | (64,786) |
| 6 | Present Value of obligation at the year end | 3,48,056 | 2,80,128 |
| E | Charge in Assets during the year | | |
| 1 | Fair Value of plan assets at the beginning of the year | 3,33,730 | 3,12,628 |
| 2 | Expected return on plan assets | 30,036 | 21,102 |
| 3 | Contributions made | 0 | 0 |
| 4 | Benefits Paid | 0 | 0 |
| 5 | Actuarial Gain/(loss) on plan assets | 0 | 0 |
| 6 | Fair value of plan assets at the year end | 3,63,766 | 3,33,730 |
| F | Actuarial Assumptions | | |
| 1 | Discount rate | 7.80% | 9.10% |
| 2 | Salary escalation | 6.00% | 6.00% |
| 3 | Expected rate of return on plan assets | 9.00% | 6.75% |

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 :

| | 31.03.15 | 31.03.14 |
|---|--------------|-----------|
| | Rs. in Lakhs | |
| a) Claims against the company not acknowledged as debt | | |
| - Penalty towards SEBI | Rs. 1.75 | Rs.1.75 |
| b) Guarantees | | |
| - Bank Guarantees issued for Land Dispute | Rs. 1.71 | Rs.1.71 |
| - EPCG | Rs. NIL | Rs.442.38 |
| 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

| | Amount (Rs) | |
|--|--------------------|--------------------|
| | 31.03.2015 | 31.03.2014 |
| Net Profit/Loss after tax as disclosed in the P& L account | (82,96,103) | (15,45,221) |
| Less: Preference Dividend paid | NIL | NIL |
| Net Profit after Preference Dividend | <u>(82,96,103)</u> | <u>(15,45,221)</u> |
| Weighted Average number of Equity Shares | 5,39,800 | 5,39,800 |
| Basic and Diluted Earnings Per Share | (15.37) | (2.86) |

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 Mandatory Accounting Standards prescribed by the Department of Corporate Affairs (Formerly known as Department of Company Affairs) and referred to in Companies Act,1956 have been complied with wherever applicable.

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. This has been revoked in October 1999, due to non- submission of required document to prove the export made under the scheme in time. Later, all the required documents have been filed with DGFT and obtained the discharge certificate from them in the year 2002. Further the company has made refund application on 23.12.2004 to The Assistant Commissioner of Customs, for refund proceedings which is pending.

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 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

| | 31.03.2015 | 31.03.2014 |
|------------------------------------|---------------|---------------|
| a. M/s. V.C.S. Spinners Pvt. Ltd., | Rs. 20,55,000 | Rs. 20,55,000 |
| b. M/s. GNM Textiles Private Ltd. | Rs. 41,00,000 | Rs. 41,00,000 |

6. Unsecured loans includes a sum of Rs.4,58,19,000/- towards deposits from the following shareholder namely

| | 31.03.2015 | 31.03.2014 |
|---------------------------------|----------------------|----------------------|
| A. Fixed Deposits : | | |
| a. Shri. RamKumar Giri | Rs. 53,00,000 | Rs. 53,00,000 |
| Total | <u>Rs. 53,00,000</u> | <u>Rs. 53,00,000</u> |
| B. Cumulative Deposits : | | |
| a. Shri. V.S.Chinnaswamy | Rs. 8,14,000 | Rs. 8,14,000 |
| b. Shri. Senthil Chinnasamy | Rs. 1,05,000 | Rs. 1,05,000 |
| Total | <u>Rs. 9,19,000</u> | <u>Rs. 9,19,000</u> |

C. Cumulative Deposits (Interest Free)

| | | |
|-----------------------------|-------------------------------|------------------------------|
| 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 |
| Total | <u>Rs. 3,96,00,000</u> | <u>Rs.3,96,00,000</u> |

7. Unsecured loans includes a sum of Rs.2,97,081/- 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. 17,728 | Rs. 17,728 |
| Total | <u>Rs. 2,97,081</u> | <u>Rs. 2,97,081</u> |

8. Liabilities for expenses include a sum of Rs.12,63,588/- payable to the following directors of the company towards salaries :

| | 31.03.2015 | 31.03.2014 |
|--|-------------------|-------------------|
| a. Shri. V.S.Chinnaswamy – Chairman | Rs. 2, 22,948 | Rs. 2, 22,948 |
| b. Shri. Senthil Chinnasamy -Managing Director | Rs. 3, 52,140 | Rs. 3, 47,140 |
| c. Shri. V.S.Kulandaivel – Director | Rs. 6, 88,500 | Rs. 6, 88,500 |

9. Liabilities for expenses includes an amount of Rs. 12,36,906/- (PY Rs.12,64,996/-) due to M/s. V.C.S. Spinners Private Limited, in which the following directors are interested

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

10. Unsecured loan includes interest accrued and due on inter corporate deposit, an amount of Rs. 43,18,281/- (PY Rs.38,91,417) due to the following concerns in which Sri. V.S.Chinnaswamy and Sri Senthil Chinnasamy are interested.

- M/s. V.C.S. Spinners Private Limited Rs. 19,60,547/- (PY Rs.17,94,083/-)
- M/s. GNM Textiles Private Limited Rs. 23,57,734/- (PY Rs.20,97,334/-)

11. The Sales Tax Assessment of the company has been completed upto 31st March 2010 The company does not expect any liability in respect of pending Assessments.

12. Interest and Finance charges include a sum of Rs. 5,53,956 (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 31st March 15 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 Schedule XIV of the Companies (Amendment) Act, 1988 as detailed below :

- Assets acquired up to 31.12.1978 - Written down Value Method
- Assets acquired from 01.01.1982 to 31.03.1991 - Written Down Value Method
- Other Assets - Written Down Value Method

17. The Income Tax assessment of the company have been completed up to assessment year 2008-2009.

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

| | | | |
|---|------|--------------------------|----------|
| 19. Auditors Remuneration: | | | |
| Audit Fees | | 80,000 | 80,000 |
| Tax Audit Fees | | - | 50,000 |
| Representation Fees | | 35,500 | 15,000 |
| Prior year fees-Taxation | | - | - |
| Service Tax | | 14,276 | 17,922 |
| Other Services | | - | - |
| | | 1,29,776 | 1,62,922 |
| 20. Bills and Cheque Discounted | | Nil | Nil |
| 21. Raw-Material Consumeds | | | |
| Cotton/Waste | Kgs. | Nil | Nil |
| Indigenous | Kgs. | Nil | Nil |
| | Rs. | 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 31st March 2015. | | | |
| 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. Mr. V.S.Chinnaswamy | | Chairman | |
| 12. Mr. V.S. Kulandaivel | | Director | |
| 13. Mr. Senthil Chinnasamy | | Managing Director | |
| 14. 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 | |
|-------|---------------------------|-------------------------------------|------------|--------------------------|------------|------------|------------|
| | | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| 1 | Fixed Asset | - | - | - | - | - | - |
| 2 | Freight Charges (Tractor) | - | - | - | - | - | - |
| 3 | Rent | - | - | 1044 | 935 | 1044 | 935 |
| 4 | Remuneration | - | - | 480 | 480 | 480 | 480 |
| 5 | Groceries Items | - | - | - | - | - | - |
| 6 | Interest | 554 | 554 | - | - | 554 | 554 |

28. Deferred Tax Liabilities/ Assets

| | 31.03.2015 | 31.03.2014 |
|---|---------------------|--------------------------|
| | Deferred Tax Assets | Deferred Tax Liabilities |
| Depreciation difference between book of account and Income tax Act, : | 5,30,026 | 20,65,194 |
| 43B Liabilities/Other Expenses : | 64,446 | 1,11,350 |
| 40(a)(ia) Liabilities : | - | - |
| Unabsorbed losses : | 75,19,533 | 83,04,921 |
| | 75,83,979 | 20,65,194 |
| Net Deferred Tax Assets/(Liabilities) : | 70,53,953 | 63,51,077 |
| Less: Opening Deferred Tax Asset | 63,51,077 | 99,15,168 |
| Net Deferred Tax charged to Statement of Profit & Loss | 7,02,876 | 35,64,091 |

29. Guest House Expenses of Rs.44,658/- (P.Y.39,748) 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.28,251/- (Previous Year Rs.47,089/-) 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. Advance and deposits includes amounting to Rs.16,51,780/- represents advance made to in earlier years to suppliers considered doubtful of recovery and not provided for, as the management is hopeful of their recovery.
32. The company's title of land bearing S.F.No.305 & 324 in which to the extent of 62 cents is under dispute for which the suit are pending before court of the the Honourable High Court of Chennai.
33. Sundry parties written off of Rs.Nil (58,548/-).
34. 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.

35. The company's main business segment is trading of cotton and yarn. Hence there is no separate reportable segment as per the accounting standard 17 (AS -17)
36. The Company has provided minimum bonus to employees in the books. The bonus will be determined at the time of payment.
37. The Company is entitled to Central Excise Duty exemption under the CENVAT Notification No. 30/2004 CE/dated 09.07.2004 and hence is not liable to Central Excise Duty for the year 31.03.2015.
38. 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.
39. 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 during the year. The Company has been fulfilled entire obligation during the year through merchant exporter and received Export obligation Discharge Certificate (EODC) from JDGFT office, Coimbatore and forwarded the EODC to The Assistant commissioner, Customs Tuticorion for cancellation of Bank Guarantee.
40. Other stock includes mess stock amounting Rs. Nil (PY Rs.Nil)
41. Borrowing cost capitalised during the year as per AS 16 is Rs.Nil (Previous Year Rs.Nil/-).
42. The company has letout portion of mill building to Texmo Industries and receiving 50% of the rent from 01.10.2014 onwards for pre construction period and full rent will be received from 01.10.2015 onwards as per agreement.
43. 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. 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.
44. The company has filed a case against M/s. Padmanabha Auto Weavers and M/s.Sri Vaari Spinning Mills amounting Rs.2,26,600/ and Rs.19,19,337/- respectively towards sale of cotton yarn and cotton, which is pending in the court.
45. 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 18th February 2013.

The following statement shows the revenue and expenses of discontinuing operations

| Particulars | 31.03.2015 | 31.02.2014 |
|---|-----------------|------------------|
| Revenue | - | 2,77,435 |
| Expenses | 5,53,956 | 39,90,264 |
| Profit/(loss) from operating activities | - | (37,12,829) |
| Finance costs | - | 5,62,991 |
| Depreciation /amortization | - | 4,24,350 |
| Profit/(loss)before exceptional and extraordinary items and tax | - | (47,00,170) |
| Add: Exceptional Item | | |
| Profit on Sale of Assets | - | 1,25,58,523 |
| Less:Extraordinary Item | | |
| Loss of Fire Accident | - | - |
| Profit/(Loss) before tax | 5,53,956 | 78,58,353 |
| Income -tax expense | - | - |
| Profit/(loss) after tax | 5,53,956 | 78,58,353 |

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

| Particulars | 31.03.2015 | 31.03.2014 |
|-------------------|------------|-------------------|
| Total asstes | - | 66,87,326 |
| Total Liabilities | - | 72,30,003 |
| Net Assets | - | (5,42,677) |

The net cash flows attributable are as below

| Particulars | 31.03.2015 | 31.03.2014 |
|-----------------------------------|------------|------------------|
| Operating activities | - | (81,51,878) |
| Investing activities | - | 1,65,28,176 |
| Financing activities | - | (5,62,991) |
| Net cash inflow/(out flow) | - | 78,13,307 |

V.S. Chinnaswamy
Chairman

Senthil Chinnasamy
Managing Director

As per our report of date annexed
For G. Ramaswamy & Co.,
Chartered Accountants
Firm No:002971S
P.S.Parimalakanthan
Partner
Membership No. 025381

V.S. Kulandaivel
Director

M. Rathinasabapathy
Director

Place : Coimbatore
Date : 28.08.2015

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2015

(Rs. in Thousands)

| | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/ Loss before Tax from Continuing Operations | (84,45,047) | (58,39,474) |
| Net Profit/loss before Tax from Discontinuing Operations | (5,53,956) | 78,58,353 |
| Net Profit/Loss before Tax and extraordinary items | (89,99,003) | 20,18,879 |
| Adjustment for: | | |
| Depreciation on Continuing Operatiosns | 17,40,288 | 11,30,967 |
| Depreciation on Discontinuing Operations | - | 4,24,350 |
| Interest & Finance charges on Borrowings | 6,12,488 | 12,03,671 |
| Interest & Dividend Income | (82,261) | (3,49,458) |
| Fall in Value of Investments | (596) | (608) |
| Profit on sale of Assets | (2,096) | (1,33,96,936) |
| Loss on sale of Assets | 28,04,298 | 10,77,888 |
| Profit on sale of Land and Building | - | - |
| Operating Profit before working capital changes | (39,26,882) | (78,91,247) |
| Adjustments : | | |
| Trade & Other receivables | 59,14,222 | (1,20,73,060) |
| Inventories | - | 3,15,550 |
| Loans & Advances | 6,72,401 | 10,03,360 |
| Current Liabilities | 39,58,834 | (58,24,296) |
| Cash generated from Operations | 66,18,575 | (2,44,69,693) |
| Cash generated from Operations before extraordinary items | 66,18,575 | (2,44,69,693) |
| Extraordinary Items : | | |
| Net Cash from Operating Activities | 66,18,575 | (2,44,69,693) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Increase or Decrease in Investments | - | - |
| Sale of Fixed Assets | 12,98,500 | 1,63,02,525 |
| Acquisition of Fixed Assets | (10,47,777) | - |
| Interest Received | 78,261 | 3,36,558 |
| Dividend Received | 4,000 | 12,900 |
| Net Cash from Investing Activities | 3,32,984 | 1,66,51,983 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase in Share Capital | - | - |
| Proceeds from Long Term Borrowings | - | - |
| Increase / Decrease in Short term loans | (54,62,191) | 54,62,191 |
| Interest Paid | (6,12,488) | (12,03,671) |
| Net Cash used in financing activities | (60,74,679) | 42,58,520 |
| Net increase in cash & cash equivalents | 8,76,881 | (35,59,191) |
| Net increase in cash & cash equivalents (Opening) | 5,88,034 | 41,47,224 |
| Net increase in cash & cash equivalents (Closing) | 14,64,915 | 5,88,034 |

V.S. Chinnaswamy
Chairman

Senthil Chinnasamy
Managing Director

As per our report of date annexed
For G. Ramaswamy & Co.,
Chartered Accountants
Firm No:002971S
P.S.Parimalakanthan
Partner
Membership No. 025381

V.S. Kulandaivel
Director

M. Rathinasabapathy
Director

Place : Coimbatore
Date : 28.08.2015

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement for the period ended 31.03.2015 from the books and records maintained by the company and found the same in accordance with the requirements of Clause 32 of the listing agreement of Stock Exchange.

For G. Ramaswamy & Co.,
Chartered Accountants
Firm No:002971S
P.S.Parimalakanthan
Partner
Membership No. 025381

Place : Coimbatore
Date : 28.08.2015

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 : L17111TZ1935PLC000056
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

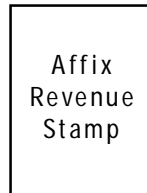
3. Name :
Address :

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 78th Annual general meeting to be held on Wednesday, the 30th September 2015 at 4.15 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.