BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043, Tamilnadu INDIA
Telephone : 0422 - 2435555 E-mail : shares@bannarimills.com
Website : www.bannarimills.com CIN : L17111TZ1989PLC002476

BASML/SEC/564/NSE/2017–2018 25.9.2017

THE MANAGER
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
"EXCHANGE PLAZA"
BANDRA-KURLA COMPLEX
BANDRA (EAST)
MUMBAI 400 051

Scrip Code: BASML

Sir,

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

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we file herewith soft copy of the Annual Report duly adopted by the Shareholders at the 27th Annual General Meeting held on 25.9.2017.

Please take on the record of the above.

Thanking you,

Yours faithfully,

For BANNARI AMMAN SPINNING MILLS LIMITED

N KRISHNARAJ
COMPANY SECRETARY

Encl : as above

GKS/E/NODE1/BASML/LETTER TO NSE&BSE

BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office. 252, Mettupalayam Road, Coimbatore - 641043
Phone : 0422- 2435555 Website : www.bannarimills.com
e-mail : shares@bannarimills.com CIN : L17111TZ1989PLC002476

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 27th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037 on Monday, the 25th day of September, 2017 at 9.15 AM to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company both Standalone and Consolidated for the financial year ended 31st March, 2017, the reports of the Board of Directors and the Auditors thereon;
2. To declare dividend on equity shares
3. To appoint a Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment
4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018) be and are hereby appointed as Auditors of the Company, to hold the office from the conclusion of this 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby authorized to fix their remuneration.

SPECIAL BUSINESS

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

   RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of ₹1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31st March 2018 be and is hereby ratified and confirmed.

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

Coimbatore
Date : 24.8.2017

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of item 5 of the Agenda is annexed hereto.
4. Previous year figures are given in brackets for the purpose of comparison.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.9.2017 to 25.9.2017 (both the days are inclusive).
6. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 18.9.2017. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 18.9.2017.
7. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013 on the respective due dates; upon such transfer, no claim shall lie against the Company for such unclaimed dividend.
8. Members are requested to bring their copy of the Annual Report along with them to the meeting.
9. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the Members.
10. The voting through electronic means will commence on 22.9.2017 at 10.00 A.M. and will end on 24.9.2017 at 5.00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
11. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.
12. The instructions for shareholders voting electronically are as under:
    - i) The voting period begins on 22.9.2017 at 10.00 A.M. and ends on 24.9.2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. on 18.9.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
    - iii) The shareholders should log on to the e-voting website www.evotingindia.com.
    - iv) Click on Shareholders.
    - v) Now Enter your User ID
        a. For CDSL: 16 digits beneficiary ID,
        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
        c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - vi) Next enter the Image Verification as displayed and Click on Login.
    - vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
    - viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

    - ix) After entering these details appropriately, click on "SUBMIT" tab.

x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

xii) Click on the EVSN for the relevant BANNARI AMMAN SPINNING MILLS LIMITED on which you choose to vote.

xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv) Click on"RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

14. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice *inter-alia* indicating the process and manner of e-voting along with attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same.

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

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

ITEM 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2018.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March 2018, as set out in the resolution.

Necessary Ordinary Resolution is placed before the Members for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

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

Coimbatore
Date : 24.8.2017

ANNEXURE TO THE NOTICE

RE-APPOINTMENT OF DIRECTOR

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

Name	:	**Sri S V Arumugam (DIN 00002458)**
Age	:	68 years
Qualification	:	B.Sc., ACA
Date of Appointment	:	27.5.2005
Experience	:	He has more than 32 years of experience in Textile Industry
Other Directorships	:	Annamallai Infrastructures Limited Bannari Amman Flour Mill Limited Bannari Amman Food Products Limited Sakthi Murugan Transports Limited Shiva Texyarn Limited STYL Textile Ventures Limited Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Anamallais Motors Private Limited Young Brand Apparel Private Limited Bannari Techno Park Private Limited Murugan Enterprise Private Limited Senthil Infrastructure Private Limited Vedanayagam Enterprises Private Limited Abirami Amman Mills Private Limited Accel Apparels Private Limited Bannari Amman Logistics Private Limited Bannai Amman Properties Private Limited
Member of Committee	:	Stakeholders Relationship Committee - Member
Member of Committees in other Public Limited Companies	:	Shiva Texyarn Limited Stakeholders Relationship Committee - Member
Number of Shares held in the Company	:	1,68,017
Relationship with other Directors	:	Nil

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

Coimbatore
Date : 24.8.2017

BANNARI AMMAN SPINNING MILLS LTD











27th ANNUAL REPORT 2017

CONTENTS

Board of Directors..... 1

Directors' Report..... 2

Annexure to Directors' Report..... 10

Corporate Governance Report 28

Management Discussion and Analysis..... 41

Auditors' Certificate on Corporate Governance..... 43

Independent Auditors' Report on Standalone Financial Statements..... 44

Standalone Balance Sheet..... 52

Standalone Statement of Profit and Loss Account..... 53

Standalone Cash Flow Statement..... 54

Notes to Standalone Financial Statements..... 56

Independent Auditors' Report on Consolidated Financial Statements 87

Consolidated Balance Sheet..... 92

Consolidated Statement of Profit and Loss Account..... 93

Consolidated Cash Flow Statement 94

Notes to Consolidated Financial Statements 96

Financial Performance - Year wise..... 127

BOARD OF DIRECTORS

Sri S V Arumugam	-	Chairman & Managing Director
Sri K N V Ramani	-	Director
Sri C S K Prabhu	-	Director
Dr K R Thillainathan	-	Director
Sri S Palaniswami	-	Director
Sri K Sadhasivam	-	Director
Smt S Sihamani	-	Director

CHIEF EXECUTIVE OFFICER

Sri A Senthil

COMPANY SECRETARY

Sri N Krishnaraj

CHIEF FINANCIAL OFFICER

Sri C S Balakumar

AUDITORS

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

INTERNAL AUDITORS

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

COST AUDITOR

Sri M Nagarajan
Cost Auditor
Coimbatore - 641 018

REGISTERED OFFICE

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

BANKERS

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report together with audited accounts of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS :

(₹ **in Lakhs**)

	2016-2017	2015-2016
Profit before Depreciation	5465.49	5653.56
Less: Depreciation	3023.84	2880.71
Less : Taxes	459.06	917.81
Less : Extra Ordinary Item (Net of Tax Expenses)	-	-
Profit after Tax	1982.59	1855.03
Surplus brought forward from last year	2089.95	1538.31
Amount available for appropriation	**4072.54**	**3393.34**
Appropriations:		
Provision for Equity Dividend	-	252.07
Provision for Tax on Dividend	-	51.31
Transfer to General Reserve	1000.00	1000.00
Surplus carried over to Balance Sheet	3072.54	2089.95
Total	**4072.54**	**3393.34**

DIVIDEND

Your Directors are glad to recommend payment of dividend of ₹1.80/- per equity share of ₹10/- each to the equity shareholders @18% of the paid up capital.

REVIEW OF OPERATIONS

During the year under review, the overall turnover of the company increased by 13.35% when compared to the previous year on account of higher sales realization. The unit wise performance of the company is furnished below:

Spinning Division

During the year under review, the Spinning Mills produced 28173.57 tonnes (27108.36 tonnes) inclusive of purchased quantity 2148.01 tonnes (2570.55 tonnes) of Yarn and sold 23504.00 tonnes (25144.14 tonnes) of Yarn.

The sales include 11006.80 tonnes (12080.68 tonnes) by way of Export. The total yarn sales of this division amounted to ₹49587.71 Lakhs (₹50170.72 Lakhs) of which export sales amounted to ₹22715.09 Lakhs (₹23975.03 Lakhs) constituting 45.81% (47.79%) of the total yarn sales.

Weaving Division

The Weaving Division specializes in manufacturing wider-width cotton fabric. During the year under review, 117.39 Lakh Metres (88.09 Lakh Metres) of Fabric were produced and 112.50 Lakh Metres (91.20 Lakh Metres) of Fabric were sold.

Knitting Division

During the year under review, 6515.43 tonnes (5165.75 tonnes) of Knitted fabric were produced and 6341.31 tonnes (5092.95 tonnes) were sold. The total sales of this division amounts to ₹12291.71 Lakhs (₹10580.38 Lakhs) of which export sales amounted to ₹6649.90 Lakhs (₹2845.66 Lakhs).

Processing and Technical Textiles Division

During the year under review, 2967.82 tonnes (1655.67 tonnes) of fabric were processed and the total processing charges of this division amounts to ₹1166.00 Lakhs (₹1393.58 Lakhs) and 1236.55 tonnes (756.39 tonnes) of fabric were produced and 1137.57 tonnes (776.21 tonnes) of fabric were sold. The total fabric sales of this division amounts to ₹4711.83 Lakhs (₹3034.86 Lakhs).

Garment Division

During the year under review, ₹14.93 Lakhs (₹12.86 Lakhs) pieces of Garments were produced and sold 13.58 Lakhs (10.19 Lakhs) pieces. The total sales of this division amounts to ₹2704.85 Lakhs (₹3303.77 Lakhs) of which export sales amounted to ₹2611.12 Lakhs (₹3303.77 Lakhs).

Retail Division

The company has ventured into Retail Marketing under the brand name **"BITZ"** both innerwear and Garments catering to the need of kids and women.

Wind Mill Division

The company has 4 windmills of 1250 KW each totaling 5 MW in Radhapuram Taluk, Tirunelveli District, Tamilnadu, 25 Nos windmills, each of 800 KW capacity totaling 20 MW capacity in Dharapuram Taluk, Tirupur District and Palani Taluk, Dindigul District, Tamilnadu and 3 Windmills of 1650 KW each in Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamilnadu. The total installed capacity of Windmills is 29.95 MW and the whole of the power generated is captively consumed by the Spinning Units and Weaving Unit.

The windmills produced 583.71 Lakh units of power as against 343.38 Lakh units produced in the last year.

PROSPECTS FOR THE CURRENT YEAR

The yarn production in Spinning units is proposed to be increased to 90 tonnes per day from the existing 75 tonnes per day by installing additional machinery in Preparatory and Autoconer sections without any increase in existing spindleage. Work on the project has already begun and is likely to be completed in the first quarter of the current year. It is expected that the increased production coupled with better product mix will lead to improved Profitability of the spinning units in the ensuing years. The contribution from Windmills on overall performance of the textile mills is dependent on availability of Wind of adequate velocity and during the current year also TANGEDCO has committed to evacuate the wind power with minimum back out.

The new Garment unit which has became operational during the last financial year has stabilized and it is expected to contribute to the performance of the Company in a significant way during the current year. The Retail division of the Company set up under the brand name **"BITZ"** has commenced operations and will be slowly expanded to Tier I & II cities in the coming years as the demand for Apparel products is set to increase due to changing consumer preference.

The other divisions of the Company viz. Weaving, Home Textiles, Knitting and Processing have stabilized their operations and taking into consideration the above initiatives taken by the Company in Spinning, Garment & Retail divisions, the overall performance of the Company is expected to improve during the current year.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

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

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on Financial Year Ended on 31st March, 2017, pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report, in Form MGT - 9 is enclosed as **Annexure - I**.

DIRECTORS

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

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

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

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

Name of the KMP	Designation
Sri S V Arumugam	Managing Director
Sri C S Balakumar	Chief Financial Officer
Sri N Krishnaraj	Company Secretary

AUDIT COMMITTEE AS PER SECTION 177 OF THE COMPANIES ACT, 2013

The Audit Committee comprises of

1. Sri C S K Prabhu - Chairman (Non- Executive Independent Director)
2. Sri K N V Ramani - Member (Non- Executive Independent Director) and
3. Sri S Palaniswami - Member (Non- Executive Independent Director)

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

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without participation of non-Independent Directors and management considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

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

BOARD MEETINGS

During the year under review, four Board Meetings were held. The details of the same have been given in the Corporate Governance Report under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The policy has been posted in the website of the Company: www.bannarimills.com.

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

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

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

RELATED PARTY TRANSACTIONS

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

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) Your Directors have followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;

b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) Your Directors have prepared the annual accounts on a going concern basis;

e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

AUDITORS

Pursuant to the Provisions of Section 139 of Companies Act, 2013 and Rules made thereunder the term of M/s.P.N.Raghavendra Rao & Co as the Statutory Auditors of the Company will be concluded at the close of ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by M/s.P.N.Raghavendra Rao & Co as the Statutory Auditors of the Company.

There is no audit qualification for the year under review.

SECRETARIAL AUDIT

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

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

COST AUDITOR

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, has appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2017 - 2018. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

JOINT VENTURE, ASSOCIATES AND SUBSIDIARIES

The Company has two wholly owned subsidiaries viz., Abirami Amman Mills Private Limited and Accel Apparel Private Limited and one Joint Venture Company viz., Young Brand Apparel Private Limited as on 31.3.2017. In accordance with the Section 129 (3) of the Companies Act, 2013 the consolidated Financial Statements of the Company has been prepared which forms part of the Annual Report. A separate statement containing the salient features of the Financial Statements of Subsidiaries and Joint Venture in Form AOC-1 (Part A & B) is furnished.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to section 134(3) (n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. The Committee has developed a Risk Management Policy and implemented the same. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report. At present the Company has not identified any element of risk which may threat the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

STATUTORY DISCLOSURES

I. **Conservation of Energy and others -** The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2017 relating to Conservation of Energy, etc., is enclosed as **Annexure IV**.

II. **Remuneration of Directors and other details -** The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017 is provided in **Annexure V**.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the excellent performance of your company.

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore

30th May, 2017

ANNEXURE I

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March,2017

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

I. REGISTRATION AND OTHER DETAILS:

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

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

Sl No	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1	Grey Woven Fabrics	13121	11.98
2	Knitted Fabrics	13911	31.54
3	Cotton Yarn	13111	44.66

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Young Brand Apparel P Limited Kattuputhur Village Ozhaiyur Post, Uthiramerur Taluk, Kanchipuram – 603107	U18101TN2006PTC081600	Associate Company (Joint Venture)	33.33%	2(6)
2	Abirami Amman Mills P Limited 252 Mettupalayam Road Coimbatore 641043	U17111TZ2013PTC020063	Subsidiary Company	100%	2(87)
3	Accel Apparels Private Limited 252 Mettupalayam Road Coimbatore 641043	U17100TZ2014PTC020825	Subsidiary Company	100%	2(87)

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

i) Category-wise Share Holding

S No	Category of shareholders	Shareholding at the beginning of the year (as on 1.4.2016)				Shareholding at the end of the year (as on 31.3.2017)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**Shareholding of Promoter and Promoter Group**									
(1)	**Indian**									
	(a) Individuals / Hindu Undivided Family	168017	0	168017	1.06	168017	0	168017	1.06	0
	(b) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
	(c) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
	(d) Any Other (Specify)									
	Bodies Corporate	8583233	0	8583233	54.48	8583233	0	8583233	54.48	0
	Sub Total (A)(1)	**8751250**	**0**	**8751250**	**55.54**	**8751250**	**0**	**8751250**	**55.54**	**0**
(2)	**Foreign**									
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
	(b) Government	0	0	0	0	0	0	0	0	0
	(c) Institutions	0	0	0	0	0	0	0	0	0
	(d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
	(e) Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	**8751250**	**0**	**8751250**	**55.54**	**8751250**	**0**	**8751250**	**55.54**	**0**
(B)	**Public Shareholding**									
(1)	**Institutions**									
	(a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
	(b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
	(d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
	(e) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
	(f) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
	(g) Insurance Companies	0	0	0	0	0	0	0	0	0
	(h) Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
	(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub Total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2)	**Central Government/ State Government(s)/ President of India**									
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(3)	**Non-Institutions**									
	(a) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1100557	5	1100562	6.98	1057355	5	1057360	6.71	-0.27
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2755646	0	2755646	17.49	2897349	0	2897349	18.39	0.89
	(b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
	(c) Employee Trusts	0	0	0	0	0	0	0	0	0
	(d) Overseas Depositories(holding Drs)									
	(balancing figure)	0	0	0	0	0	0	0	0	0
	(e) Any Other (Specify) Hindu Undivided Family	304366	0	304366	1.93	300667	0	300667	1.90	-0.02
	Non Resident Indians (Non Repat)	1836	0	1836	0.01	1138	0	1138	0.00	-0.00
	Non Resident Indians (Repat)	90736	0	90736	0.57	89030	0	89030	0.56	-0.01

S No	Category of shareholders	Shareholding at the beginning of the year (as on 1.4.2016)				Shareholding at the end of the year (as on 31.3.2017)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	Unclaimed Shares	1216	0	1216	0.00	1216	0	1216	0.00	0
	Clearing Member	55504	0	55504	0.35	48567	0	48567	0.30	-0.04
	Bodies Corporate	2693152	1	2693153	17.09	2607691	1	2607692	16.55	-0.54
	Sub Total (B)(3)	**7003013**	**6**	**7003019**	**44.45**	**7003013**	**6**	**7003019**	**44.45**	**0**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**7003013**	**6**	**7003019**	**44.45**	**7003013**	**6**	**7003019**	**44.45**	**0**
	Total (A)+(B)	**15754263**	**6**	**15754269**	**100.00**	**15754263**	**6**	**15754269**	**100.00**	**0**
(c)	**Non Promoter - Non Public**									
	(1) Custodian/DR Holder	0	0	0	0	0	0	0	0	0
	(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	**15754263**	**6**	**15754269**	**100.00**	**15754263**	**6**	**15754269**	**100.00**	**0**

ii) Shareholding of Promoter

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

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

S No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	8751250	55.55	8751250	55.55
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
3	At the end of the year	8751250	55.55	8751250	55.55

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

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gagandeep Credit Capital Pvt Ltd	987475	6.27	987475	6.27
2	Anuj Anantrai Sheth	734805	4.66	784805	4.98
3	Prescient Securities Private Limited	565986	3.59	572088	3.63
4	Amrit Petroleums Pvt Limited	450000	2.86	450000	2.86
5	Nilesh Kishor Shah	260000	1.65	250000	1.58
6	India Infoline Limited	264622	1.68	204407	1.30
7	Hiten Anantrai Sheth	200000	1.27	200000	1.27
8	Shankar Resources Private Limited	137659	0.87	196663	1.25
9	Mukesh C Patani	150000	0.95	150000	0.95
10	Mukesh Chimanlal Patani	150000	0.95	150000	0.95
11	Purnima Mukesh Patani	150000	0.95	150000	0.95

v) Shareholding of Directors and Key Managerial Personnel:

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

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

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

V) INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	46980.98	758.54	-	47739.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	215.37	-	-	215.37
Total (i+ii+iii)	**47196.35**	**758.54**	**-**	**47954.89**
Change in Indebtedness during the financial year				
* Addition	12674.49	3015.03	-	15689.52
* Reduction	6378.22	-	-	6378.22
Net Change	**6296.27**	**3015.03**	**-**	**9311.30**
Indebtedness at the end of the financial year				
i) Principal Amount	53277.25	3773.57	-	57050.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	180.26	-	-	180.26
Total (i+ii+iii)	**53457.51**	**3773.57**	**-**	**57231.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S No	Particulars of Remuneration	Name of MD	Total Amount
		Sri S V Arumugam	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,601	12,601
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	1,83,80,000	1,83,80,000
	- others, specify…	0	0
5	Others, please specify		
	Total (A)	2,43,92,601	2,43,92,601
	Ceiling as per the Act	2,44,16,480	

B. Remuneration to other Directors (in ₹)

S No	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Sri K N V Ramani	Sri S Palaniswami	Sri C S K Prabhu	Dr K R Thillainathan	Sri K Sadhasivam	Smt S Sihamani	
	Fee for attending Board/ Committee meetings	40,000	40,000	35,000	25,000	25,000	20,000	**1,85,000**
	Commission	-	-	-	-	-		
	Others, please specify	-	-	-	-	-		
	Total (1)	40,000	40,000	35,000	25,000	25,000	20,000	**1,85,000**
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending Board / Committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	40,000	40,000	35,000	25,000	25,000	20,000	**1,85,000**
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	Not Applicable						

C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD

(In ₹)

S No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,73,820	12,61,225	23,35,045
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify…	0	0	0
5	Others, please specify	0	0	0
	Total	**10,73,820**	**12,61,225**	**23,35,045**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Coimbatore
30th May, 2017

ANNEXURE II

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017)

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bannari Amman Spinning Mills Limited ("the Company") for the financial year ended on 31st March 2017 ('Audit Period') according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;

ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company;

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

vi. The following other laws specifically applicable to the company :

a. Additional Duties of Excise (Textiles and Textile Articles) Act, 1978

b. Textile Committee Act, 1963

c. Textiles (Development and Regulation) order, 2001

d. Textiles (Consumer Protection) Regulation, 1985

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

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

I further report that, during the audit period:

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

R DHANASEKARAN
Company Secretary in Practice
FCS 7070/CP 7745

Coimbatore
30th May, 2017

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

Present Activities:

- ✓ The company is actively involved in promotion of education particularly in rural areas where the facilities for students are inadequate. The company provides for construction of buildings and equipments to deserving schools.
- ✓ The company has contributed equipment to the disabled kids like hearing materials and also contributed towards welfare of children affected by AIDS.

Future focus:

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

Weblink : www.bannarimills.com

2. **Composition of CSR Committee**

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

   Sri S V Arumugam - Managing Director

   Sri S Palaniswami - Independent Director

   Sri K Sadhasivam - Independent Director

3. **Average net profit of the Company for last 3 financial years** : ₹20,98,15,960/-

4. **Prescribed CSR expenditure** : ₹41,96,319/-
   (2% of the amount as in item 3 above)

5. Details of CSR spent during the financial year

a) Total amount spent for the financial year : ₹ 30,61,000/-

b) Amount unspent, if any : ₹ 11,35,319/-

c) Manner in which the amount spent during the financial year is detailed below: (in ₹)

S No	Projects/ Activities	Sector	Project / program locations	Amount outlay (budget) project/ programwise	Amount spent on the project/ program	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Vedapatty Panchayat (Local Residential Toilet)	Private	Coimbatore Dt	2,11,000	2,11,000	2,11,000	Direct
2	Kodangipalayam Village (Local Residental Toilet)	Private	Tirupur Dt	2,00,000	2,00,000	4,11,000	Direct
3	Purchase of Accessories for Disabled School Students	Private	Chennai	3,50,000	3,50,000	7,61,000	Direct
4	Project "Thalir"	Private	Coimbatore Dt	10,00,000	10,00,000	17,61,000	Direct
5	School Development Expenses	Private	Erode Dt	13,00,000	13,00,000	30,61,000	Direct

Reason for not spending:

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

Responsibility Statement of the CSR Committee:

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

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

Coimbatore
30th May, 2017

ANNEXURE IV

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

The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017 is given here below, and forms part of the Director's Report.

A) CONSERVATION OF ENERGY

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

i) Energy Audit and conservation measures are being reviewed and adopted periodically.

ii) Carding LUWA filter – energy efficient VXL suction fan replaced to reduce the power consumption and achieved savings of 1.0 lacs units per annum and savings in cost of ₹6.7 lacs per annum.

iii) Simplex Humidification Plant exhaust drumfilter cyclone fan 1 No. modified and achieved saving of 0.08 lacs units per annum and savings cost of ₹0.54 lacs per annum.

iv) Energy saving LED lamp 250 Nos. replaced and achieved savings of 0.22 lacs units per annum and savings cost of ₹1.46 lacs per annum.

v) In ETP, effluent water separation of sewage and sizing effluent collected before treatment in newly constructed storage UG tank.

vi) In Electrical applications for lighting, conversion of electronic fitting to LED fitting.

vii) ETP aeration tank blower changed with frequency Drive for better aeration efficiency and energy saving.

viii) Frequency drive installed in RO 3RD & 4TH stage pressure pump.

ix) Duty heli-fan – 2 nos fixed for reducing Humidification plant running hours.

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

During the year under review the company utilized wind power of 583.71 Lakh units have been captively consumed.

iii) The capital investment on energy conversation equipments;

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

B) TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption; - Nil
2. The benefits derived like product improvement, cost reduction, product development or import substitution; - Nil

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); - Nil
4. The expenditure incurred on Research and Development;-Nil
5. Introduced Agitated Thin Film Dryer (ATFD) in Hazardous Effluent Reject Management System.
6. "Data Color Spectro Photo Meter" incorporates in Color Matching Lab
7. Open Width finishing range increased to fulfill current fashion Trends.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were ₹ 35695.18 Lakhs (₹ 27974.56 Lakhs). Foreign exchange outgo was ₹ 7844.95 Lakhs (₹ 9480.74 Lakhs).

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

Coimbatore
30th May, 2017

ANNEXURE V

Disclosure in the Board's Report

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

i) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2016-17

Director's Name	Ratio
Sri S V Arumugam, Managing Director	266.83:1

ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial year 2016-17 compared to 2015-16.

Director's Name/CS/CFO	% increase in remuneration
Sri S V Arumugam, Managing Director	5.07
Sri N Krishnaraj, Company Secretary	16.99
Sri C S Balakumar, Chief Financial Officer	14.01

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

iii) Percentage increase in the median remuneration of employees in the Financial year 2016-17 — 18.09

iv) Number of permanent employees on the rolls of the Company — 3823

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

The average percentile increase granted to employees other than managerial personnel is 21.78%

The percentile increase granted to managerial personnel is Nil.

The Board of Directors of the Company affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

(vi) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Table 1: Particulars of Top Ten Employees in terms of remuneration drawn as required under Rule 5(2):

Name (Age in years)	Designation	Gross Remuneration paid (in ₹)	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri A Senthil (41)	Chief Executive Officer	30,00,000	MBA	23.5.2011 (6)	Shiva Texyarn Limited
Sri C S Teotia (64)	Director - Cotton	18,00,000	B.Sc., MA, PGDM	4.9.2013 (4)	Cotton Corporation of India
Sri A Annaraj (59)	General Manager - Weaving	12,80,194	DTT	30.3.2005 (12)	Loyal Textile Mills Limited
Sri S Shankar kumar (51)	General Manager - Marketing	12,71,887	B.Tech, MBA	21.8.1989 (28)	Shiva Texyarn Limited
Sri C S Balakumar (56)	Chief Financial Officer	12,61,225	B.Com	7.3.1989 (28)	Shiva Texyarn Limited
Sri M Ramamurthi (49)	General Manager - Knitting	11,68,785	DME	7.3.2008 (9)	Fabtech International
Sri S Manickam (57)	General Manager - Finance	11,62,170	ACA, AICWAI	19.6.2008 (9)	Pioneer Poultry Group
Sri N Krishnaraj (53)	Company Secretary	10,73,820	B.Com., ACS	3.8.2007 (10)	Bannari Amman Sugars Limited
Sri K S Thirumeni (47)	Factory Manager - Spinning Unit II	9,77,680	DTT	1.9.2013 (4)	Spictex Cotton Mills P Ltd
Sri S Ramanathan (63)	General Manager - Project	8,93,735	M.Tech	5.11.2009 (8)	Vishwa Bharathi Textiles Limited

Table 2: The statement of employee(s) specified under Rule 5(2) (i), (ii), and (iii):

Name	:	S V Arumugam
Designation	:	Managing Director
Remuneration (₹ in Crores)	:	2.44
Nature of Duties	:	Management of the day to day affairs of the Company
Qualification & Experience (years)	:	B.Sc., ACA. More than 32 years in Textile Industry
Date of commencement of employment	:	27.5.2005
Age	:	68
Last employment	:	Shiva Texyarn Limited

Sri A Senthil, Chief Executive Officer, listed in the said Annexure is relative of Sri S V Arumugam, Managing Director (DIN 00002458) of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

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

Coimbatore
30th May, 2017

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of its operations, procedures, reporting system and in all the interactions with its stakeholders.

Bannari Amman Spinning Mills Limited has adopted a Code of Conduct which lays down standards of values, ethics and business principles of management.

BOARD OF DIRECTORS

The Board comprises of **7** Directors viz., **1** Executive Director and **6** Non-Executive Independent Directors including a Women Director.

NAME OF THE DIRECTOR	CATEGORY OF DIRECTOR	NO. OF DIRECTORSHIPS HELD IN OTHER COMPANIES*	NUMBER OF BOARD COMMITTEE MEMBERSHIP HELD IN OTHER COMPANIES**	
			Chairman	Member
1. Sri S V Arumugam	Executive	8	-	1
2. Sri K N V Ramani	Non-Executive Independent	5	1	3
3. Sri C S K Prabhu	Non-Executive Independent	2	2	1
4. Dr K R Thillainathan	Non-Executive Independent	1	-	-
5. Sri S Palaniswami	Non-Executive Independent	1	1	1
6. Sri K Sadhasivam	Non-Executive Independent	2	-	-
7. Smt S Sihamani	Non-Executive Independent	-	-	-

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

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

The Non-Executive Independent Directors fulfill the conditions laid down for appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment has been issued and a copy of the same is posted on the website of the Company viz., www.bannarimills.com.

BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 25.5.2016, 11.8.2016, 11.11.2016 and 14.2.2017. The interval between the two Meetings was well within the maximum period prescribed under the Companies Act, 2013 and Regulation 17(2) of the SEBI (LODR) Regulations, 2015.

The Board is given all the material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting (held on 28.9.2016) are furnished here below:

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

FAMILIARISATION PROGRAMME

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

CODE OF CONDUCT

The Company has adopted the code of conduct for all Board Members and Senior Management as required under Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is posted on the company's website at www.bannarimills.com. All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

AUDIT COMMITTEE

The Audit Committee consists of following Directors:

Sl.No.	Name	Position	No. of Meetings Attended
1.	Sri C S K Prabhu	Chairman - Independent	3
2.	Sri K N V Ramani	Member - Independent	4
3.	Sri S Palaniswami	Member - Independent	3

The terms of reference of the Audit Committee are as set out in Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following:

a) Review of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;

d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

   i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

   ii) Changes, if any, in accounting policies and practices and reasons for the same.

   iii) Major accounting entries involving estimates based on the exercise of judgment by management

   iv) Significant adjustments made in the financial statements arising out of audit findings

   v) Compliance with listing and other legal requirements relating to financial statements

   vi) Disclosure of any related party transactions

   vii) Modified opinions in the draft audit report

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up thereon;

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

t) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

During the financial year, the Audit Committee met 4 times on 21.5.2016, 10.8.2016, 9.11.2016 and 11.2.2017. The Audit Committee Chairman was present at the last AGM.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Directors, all of whom are independent:

Sl.No.	Name of the Director	Position
1.	Sri K N V Ramani	Chairman
2.	Sri C S K Prabhu	Member
3.	Sri S Palaniswami	Member

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

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

(a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and also recommend to the Board a Policy relating to the Remuneration of Directors, Key Managerial Personnel and other employees.

(b) Formulating the policy for determining qualification, positive attributes and independence of a Director.

(c) To formulate criteria for evaluation of Independent Directors and the Board.

(d) To devise a policy on Board diversity.

Remuneration Policy

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

Evaluation criteria

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

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

Remuneration paid to Managing Director is as follows:

Name	Designation	Remuneration Received (in ₹)
Sri S V Arumugam	Managing Director	2,43,92,601

Remuneration paid to Director:

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

Meeting of Independent Directors

During the year under review the Independent Directors met on 31.3.2017 for the following purposes:

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

All the Independent Directors were present at the meeting.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

SUBSIDIARIES

The Company has no material subsidiary within the meaning of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted a Policy for determining material subsidiary and is available on the weblink: www.bannarimills.com.

RELATED PARTY TRANSACTIONS

The Company has adopted policy on dealing with Related parties. The same is disclosed in the website of the company and is available in the following weblink:www.bannarimills.com

RISK MANAGEMENT COMMITTEE

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

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

WHISTLE BLOWER MECHANISM

The Company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistle blower policy is posted on the company's website at the link : www.bannarimills.com.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2017

Name of the Director	No. of shares held
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	Nil
Sri S Palaniswami	172
Sri K Sadhasivam	Nil
Smt S Sihamani	Nil

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was formed to specifically look into shareholders/investors complaints if any, on transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters.

The Stakeholders Relationship Committee consists of:

1. Sri C S K Prabhu - Chairman
2. Sri S V Arumugam - Member

Sri N Krishnaraj, Company Secretary is the Compliance Officer.

The Company has not received any complaints from the Investors for redressal during the year and there were no complaint pending at the beginning of the year.

In terms of Regulation 34(3) read with Part F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges, the Company has opened Demat Suspense Account in the name of **"Bannari Amman Spinning Mills Limited-Unclaimed Shares Demat Suspense Account"** and has transferred the shares which remains unclaimed and are lying in the escrow account out of the Initial Public Offer made by the Company.

Unclaimed Shares	No. of share holders	No. of shares
Outstanding at the beginning of the year	23	1216
Approached for transfer during the year	-	-
Transferred to the shareholder during the year	-	-
Balance at the end of the year	23	1216

The voting rights on these shares shall remain frozen till the rightful owners of such shares claim the shares.

CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Regulation17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Board took the same on record.

INSIDER TRADING

In compliance with SEBI Regulations in prevention of insider trading the company has framed a comprehensive Code of Conduct. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the Company.

GENERAL BODY MEETINGS

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

AGM	Date & Time	Special Resolutions Passed	Voting Pattern
24th	25.8.2014 9.15 A.M.	I) Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013*	Total Votes polled : 87,53,183 Votes polled for : 87,52,072 Votes against : 1,111 Votes neutral : Nil
		II) Providing security u/s 180(1) (a) of the Companies Act, 2013 in connection with the borrowings of the Company*	Total Votes polled : 87,53,183 Votes polled for : 87,52,072 Votes against : 1,111 Votes neutral : Nil
25th	28.9.2015 9.15 A.M.	I) Deletion of Article 106. b) and Article 111. of the Articles of Association of the Company.	Total Votes polled : 87,53,906 Votes polled for : 87,53,906 Votes against : Nil Votes neutral : Nil
26th	28.9.2016 9.15 A.M.	Nil	Not Applicable

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

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

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

DISCLOSURES

- ✓ The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- ✓ There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- ✓ The company has a Whistle Blower Policy in place and No personnel has been denied access to the Audit Committee and
- ✓ The Company has complied with all the mandatory requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of Non-mandatory requirements the company has complied all the conditions except the suggestion relating to appointment of separate persons to the post of Chairman and Managing Director/CEO.

MEANS OF COMMUNICATION

i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in Business Standard (English) and Makkal Kural (Tamil) newspapers. The results and news items relating to the company are displayed in company's website www.bannarimills.com.

ii) The Management Discussion and Analysis forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date	:	Monday, 25th September, 2017
Time	:	9.15 A M
Venue	:	Nani Kalai Arangam Mani Higher Secondary School Pappanaickenpalayam Coimbatore 641 037

Financial Year

Results Announced	:	30.5.2017
Posting of Annual Report	:	On or before 1st September, 2017
Last date of receipt of Proxy forms	:	23rd September 2017
Dividend payment Date	:	on or before 7th October, 2017
Announcement of quarterly Results	:	i) During first/second week of August and November 2017. February and May 2018 or as stipulated by SEBI from time to time. ii) The Financial Results are displayed on the website of the Company www.bannarimills.com

Date of Book Closure for the purpose of Dividend and Annual General Meeting 19.9.2017 to 25.9.2017 (both days inclusive)

Share Price Movement

The high and low quotations of the company's shares on the National Stock Exchange of India Limited and BSE Limited together with Nifty and SENSEX from April 2016 to March 2017 were:

MONTH	SHARE PRICE				NSE - NIFTY		BSE - SENSEX	
	NSE (Rs. Ps.)		BSE (Rs. Ps.)					
	High	Low	High	Low	High	Low	High	Low
April 2016	235.00	193.50	230.00	195.00	7992.00	7516.85	26100.54	24523.20
May	229.30	203.20	235.00	209.00	8213.60	7678.35	26837.20	25057.93
June	255.00	210.00	253.60	210.05	8308.15	7927.05	27105.41	25911.33
July	269.80	240.35	274.00	237.00	8674.70	8287.55	28240.20	27034.14
August	331.75	253.00	330.00	256.00	8819.20	8518.15	28532.25	27627.97
September	346.95	289.00	340.00	287.90	8968.70	8555.20	29077.28	27716.78
October	351.00	301.15	348.00	300.00	8806.95	8506.15	28477.65	27488.30
November	322.05	250.00	273.00	250.00	8669.60	7916.40	28029.80	25717.93
December	316.50	260.20	294.00	260.25	8274.95	7893.80	26803.76	25753.74
January 2017	324.90	275.25	320.00	280.00	8672.70	8133.80	27980.39	26447.06
February	306.00	276.10	317.90	279.00	8982.15	8537.50	29065.31	27590.10
March	356.95	282.00	356.00	284.00	9218.40	8860.10	29824.62	28716.21

Based on the closing quotation of ₹350.00 as at 31.3.2017 at NSE Mumbai, the market capitalization of the company was ₹551.39 Crores.

SHARE DETAILS

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

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

The company has paid Annual Listing Fees for the year 2017-2018.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

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

DEMATERIALISATION OF SHARES

The shares of the company are in compulsory demat segment. The company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have an option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. ISIN allotted to our company is INE186H01014.

SHARE TRANSFER AGENT

Link Intime India Private Limited,
Surya, 35, Mayflower Avenue, Behind Senthil Nagar
Sowripalayam Road, Coimbatore - 641 028

Phone : (0422) 2314792, 2315792
Fax : (0422) 2314792
E-mail : coimbatore@linkintime.co.in

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

SHARE TRANSFER SYSTEM

The Share Transfers in physical form are registered and returned within 30 days from the date of receipt, if the documents are in order. The share transfers are approved by the Share Transfer Committee who usually meet twice in a month, if needed.

DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2017

Category	No. of Shares Held	Percentage of Shareholding
Promoter's Holding	87,51,250	55.55
Banks/FIs/Mutual Funds	-	-
Private Corporate Bodies	26,56,259	16.86
Indian Public	42,56,592	27.02
NRI/OCBs	90,168	0.57
Total	1,57,54,269	100.00

PLANT LOCATIONS:

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

Weaving Unit	Knitting Unit
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658

Technical Textile Unit	Processing Unit
Kovai – Sathy Main Road, Kunnathur Village Ganesapuram Post, S S Kulam (Via) Coimbatore - 641107	Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052

Garment Unit	Retail Unit
Palladam Hitech Weaving Park Sukkampalayam Village K N Puram (Po) Palladam- 641 662	252, Mettupalayam Road Coimbatore - 641 043

Windmill Units	
Irukandurai & Dhanakarkulam Villages Radhapuram Taluk Tirunelveli District, Tamilnadu	Chinnapudur Village Dharapuram Taluk Erode District, Tamilnadu
Melkaraipatti & Kottathurai Villages Palani Taluk Dindigul District Tamilnadu	Virugalpatti & Illuppanagaram Village Udumelpet Taluk Tirupur District Tamilnadu

Address for Correspondence

All investor related queries and complaints may be sent to the following address:

The Company Secretary,
Bannari Amman Spinning Mills Limited,
Regd. Office: 252, Mettupalayam Road, Coimbatore - 641 043
E-mail: shares@bannarimills.com

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

Coimbatore
30th May, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company's principal line of business is manufacturing and marketing of Cotton Yarn, Woven and Knitted fabrics, Home Textiles, Knitted Garments and Processing of fabrics. The Company has two spinning units near Dindigul with an installed capacity of 144240 spindles, Weaving unit at Karanampettai near Palladam with an installed capacity of 153 looms, Processing unit at SIPCOT, Perundurai with an installed capacity to process 3600 tonnes of fabric per annum, Knitting unit at Karanampettai near Palladam with installed capacity to produce 7200 tonnes of knitted fabric per annum, Two garment units at Palladam Hi-tech weaving park with a capacity to produce 60 lakh pieces of knitted garments per annum and 32 Windmills with an installed capacity of 29.95 MW green power which is entirely used for captive consumption.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India's textile sector is one of the oldest industries in Indian economy and is one of the largest contributors to India's exports with approximately 11% of total exports. The Textiles Industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The Indian Textiles Industry currently estimated at around USD 108 billion is expected to reach USD 223 billion by 2021 and has the potential to reach USD 500 billion in size according to studies. The growth implies domestic sales to rise to USD 315 billion from current USD 68 billion and exports to increase to USD 185 billion from the existing USD 41 billion. Thus the growth and all round development of this Industry has a direct bearing on the improvement of the economy of the Country.

Various Government initiatives like TUF scheme, Scheme for Integrated Textile parks, Integrated processing development scheme for sanctioning processing parks and Integrated skill development scheme which aims to provide training to about 3 million people in all sub sectors of textiles such as Textile and Apparel, Handicrafts, Handlooms, jute and sericulture, Amended TUF scheme, Market Access Initiative, Market Development Assistance, Technology mission for technical textiles, Special package for Textile and Apparel sector to boost exports, labour friendly policies, scaling up the production and to generate over 10 million jobs in the textile industry over the next three year period have helped in modernizing the Industry, adopting improved labour practices and also brought new investments. Moreover under "Make in India" programme of the Government of India, special emphasis is accorded to Textile Industry.

OPPORTUNITIES

India is the second largest textile fibre producer in the World producing about 9 million tones of fibre during 2015-16. Inspite of having a strong production base, India's share in global textile and apparel trade is about 5% only. Hence, there is tremendous scope for India to increase its market share in the world textile market.

India offers huge scope for man-made fibre and filament manufacturing as currently India's fibre consumption is cotton dominated contrary to the global trends. With change in consumer preferences and awareness about health and hygiene, consumption of man-made fibres is poised to grow in future.

OUTLOOK

The outlook for Indian textile industry remains optimistic, as demand is expected to pick up on account of improving economic sentiments in both domestic and export markets. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencers into the Indian market. The organized apparel segment is expected to grow at a Compounded Annual Growth Rate (CAGR) of 13 percent over a period of ten years.

The Government of India is set to roll out Goods and Services Tax (GST) during the financial year 2017-18. It is expected that GST will result in 'Fibre-neutrality effect' on the Indian textiles sector, according to the Ministry of Textiles, that means all man-made and natural fibres will be treated equally from the tax point of view. This will create level playing field for the various segments of the textile industry which will give a fillip to textiles production.

RISKS AND CONCERNS

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is subject to the vagaries of nature and the prices also fluctuate wildly based on supply/demand in the World market and Government policy on export of Cotton. Quality of domestic cotton is one of the areas of concern facing the industry. Volatile fluctuations in foreign exchange rates over a shorter period of time, Increase in overheads costs such as power, logistics etc., is also a matter of concern.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control procedures and systems commensurate with its size and nature of its business for purchase of raw materials, plant and machinery, components and other items and sale of goods. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

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

Coimbatore
30th May, 2017

DECLARATION ON CODE OF CONDUCT

To

The Members of
Bannari Amman Spinning Mills Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of SEBI (Lisiting Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, I declare that the Board of Directors and Members of Senior Management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2017.

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

Coimbatore
30th May, 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Bannari Amman Spinning Mills Limited

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Spinning Mills Limited ('the Company'), for the year ended on 31st March 2017, as referred in Regulation 15(2) of the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Securities Exchange Board Of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants
P R VITTEL
Partner
M No 200/018111
Firm Reg. No: 003328S

Coimbatore
30th May, 2017

INDEPENDENT AUDITORS' REPORT

To

The Members of Bannari Amman Spinning Mills Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of BANNARI AMMAN SPINNING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

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

3. Auditors' Responsibility.

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

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

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March,2017, and its profit and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in exercise of the powers conferred by sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017, from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, referred to our separate report in **"Annexure B"**; and

g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us;

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note No.28 to the financial statements.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) The Company has provided requisite disclosure in the Standalone financials statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. On the basis of information available with the Company, based on audit procedures and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management. Refer Note no.46.

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants
P R VITTEL
Partner
M No 200/018111
Firm Reg. No: 003328S

Coimbatore
30th May, 2017

Annexure 'A' to the Independent Auditors' Report

The **Annexure 'A'** referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, we report that:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company the title deeds of immovable properties are held in the name of the company.

ii. a) The inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

iii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Consequently, the provisions of Clauses iii (a) iii (b) and iii(c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under the section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided.

v. The Company has not accepted any deposits from the public.

vi. As per the information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained under section 148(1) of the Act, by the company.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the undisputed statutory dues including provident fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the disputed statutory dues (in case of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes and Cess) aggregating to ₹ 320.50 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under:

Name of the Statue	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax and Penalty	87.55	Assessment year 2009-10	High Court of Madras, Chennai
Central Sales Tax Act, 1956	Sales Tax	46.60	Assessment year 2008-09	High Court of Madras, Chennai
Income Tax Act, 1961	Income Tax	1.84	Assessment year 2010-11	CIT (Appeals), Coimbatore
Income Tax Act, 1961	Income Tax	4.81	Assessment year 2013-14	CIT (Appeals), Coimbatore
Income Tax Act, 1961	Income Tax	37.47	Assessment year 2011-12	CIT (Appeals), Coimbatore
Central Excise	Excise Duty	69.61	December 2008 to July 2009	CESTAT, Chennai
Central Excise	Excise Duty	72.62	May 2016 to December 2016	C.EX Commissioner (Appeals), Madurai

viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, and Government during the year. The Company has not issued any debentures and hence there are no dues to debenture holders.

ix. The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including Debt instruments) during the year. According to the information and explanations given to us, the term loans are applied for the purposes for which the loans were obtained.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on the examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under the Accounting Standard (AS 18 - Related Party Transactions).

xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the Directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants
P R VITTEL
Partner
M No 200/018111
Firm Reg. No: 003328S

Coimbatore
30th May, 2017

Annexure 'B'

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

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

We have audited the internal financial controls over financial reporting of Bannari Amman Spinning Mills Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls:

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

Auditor's responsibility

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

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

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

Meaning of Internal Financial Control Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March 2017, based on the Internal Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **P N RAGHAVENDRA RAO & CO**
Chartered Accountants
P R VITTEL
Partner
M No 200/018111
Firm Reg. No: 003328S

Coimbatore
30th May, 2017

STANDALONE BALANCE SHEET AS AT 31.3.2017

PARTICULARS	Note No.	As at 31.3.2017 ₹	As at 31.3.2016 ₹
I. EQUITY AND LIABILITIES :			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	2	15,75,42,690	15,75,42,690
b) Reserves and Surplus	3	2,72,98,53,031	2,53,15,94,132
2. DEFERRED INCOME PENDING APPORTIONMENT	4	78,80,001	84,05,334
3. NON-CURRENT LIABILITIES			
a) Long-Term Borrowing	5	2,05,71,91,397	1,76,57,75,655
b) Deferred Tax Liabilities (Net)		82,45,41,765	8,23,841,597
c) Other Long-Term Liabilities	6	23,27,557	25,50,815
4. CURRENT LIABILITIES			
a) Short-Term Borrowing	7	3,15,35,35,240	2,37,03,69,075
b) Trade Payables	8	37,48,52,220	84,66,46,301
c) Other Current Liabilities	9	62,94,94,046	74,81,81,019
d) Short-Term Provisions	10	2,79,68,822	5,28,78,568
TOTAL		**9,96,51,86,769**	**9,30,77,85,184**
II. ASSETS :			
1. NON-CURRENT ASSETS			
a) Fixed Assets	11		
i) Tangible Assets		5,54,97,95,803	4,99,32,92,668
ii) Intangible Assets		-	-
iii) Capital Work in Progress		9,32,44,326	20,11,93,974
b) Non-Current Investments	12	24,97,17,256	27,02,25,966
c) Long-Term Loans and Advances	13	67,13,80,680	64,16,53,935
d) Other Non-Current Assets	14	1,85,00,000	2,34,91,545
2. CURRENT ASSETS			
a) Inventories	15	2,07,38,08,434	1,96,19,55,116
b) Trade Receivables	16	90,22,61,669	87,91,41,936
c) Cash and Cash Equivalents	17	21,77,17,967	9,90,83,670
d) Short-Term Loans and Advances	18	15,79,70,211	13,60,10,456
e) Other Current Assets	19	3,07,90,423	10,17,35,918
TOTAL		**9,96,51,86,769**	**9,30,77,85,184**

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

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

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2017

PARTICULARS	Note No.	Year Ended 31.3.2017 ₹	Year Ended 31.3.2016 ₹
1. Revenue from operations	20	8,73,94,42,281	7,71,00,42,945
2. Other income	21	93,60,180	84,10,388
3. Total revenue (1+2)		**8,74,88,02,461**	**7,71,84,53,332**
4. Expenses			
a) Cost of materials consumed	22	5,74,59,89,417	4,70,89,61,271
b) Purchases of stock-in-trade	23	44,95,89,046	52,95,03,443
c) Changes in inventories of Finished Goods, Work-in-Progress and stock-in-trade	24	1,50,58,544	(4,67,60,881)
d) Employee benefits expenses	25	54,17,94,026	44,83,98,187
e) Finance costs	26	43,79,06,293	36,33,09,899
f) Depreciation and amortisation expenses		30,23,83,927	28,80,71,203
g) Other expenses	27	1,01,19,16,584	1,14,96,85,579
Total expenses		**8,50,46,37,837**	**7,44,11,68,702**
5. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		24,41,64,624	27,72,84,630
6. Exceptional items		-	-
7. Profit / (Loss) before extraordinary items and tax (5 + 6)		24,41,64,624	27,72,84,630
8. Extraordinary items		-	-
9. Profit / (Loss) before tax (7 + 8)		24,41,64,624	27,72,84,630
10. Tax expense:			
a) Current tax expense for current year		5,21,08,613	5,54,78,393
b) (Less): MAT credit (where applicable)		5,21,08,613	5,54,78,393
c) Deferred tax		7,00,168	9,17,81,212
d) MAT Credit lapsed written off		4,52,05,557	-
11. Profit / (Loss) for the year (9 +10)		**19,82,58,899**	**18,55,03,418**
Earnings per share (of ₹10/- each):			
a) Basic i) Continuing operations		12.58	11.77
ii) Total operations		12.58	11.77
b) Diluted i) Continuing operations		12.58	11.77
ii) Total operations		12.58	11.77
Earnings per share (excluding extraordinary items) (of ₹10/- each):			
a) Basic i) Continuing operations		12.58	11.77
ii) Total operations		12.58	11.77
b) Diluted i) Continuing operations		12.58	11.77
ii) Total operations		12.58	11.77
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

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

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2017

PARTICULARS	31.3.2017 ₹	31.3.2016 ₹
I CASH FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary items	24,41,64,624	27,72,84,630
Adjustments for:		
Depreciation	30,23,83,927	28,80,71,203
Interest income	(69,90,164)	(75,52,469)
Dividend income	(119)	(111)
Finance costs	43,79,06,293	36,33,09,899
Foreign Exchange Fluctuation	-	51,24,051
Profit / Loss on sale of asset	48,18,243	-
Profit / Loss on sale of investments	(71,88,140)	-
	73,09,30,041	**64,89,52,574**
Operating profit before working capital changes	97,50,94,665	92,62,37,204
Debtors	(2,31,19,733)	(13,92,18,702)
Inventories	(11,18,53,318)	(42,73,94,533)
Other Current Assets & Non-current Assets	3,56,55,551	80,23,112
Current Liabilities	(58,17,65,001)	26,97,79,371
	(68,10,82,502)	**(28,88,10,753)**
Cash generation from Operations	29,40,12,163	63,74,26,451
Add : Income taxes (Paid)/refund	(5,66,10,568)	(6,11,27,973)
Net cash from Operations	**23,74,01,595**	**57,62,98,478**
II CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(75,62,80,989)	(58,81,00,395)
Interest income	69,90,164	75,52,469
Dividend income	119	111
Purchase of Investments	-	(10,97,109)
Proceeds from sale of investment	2,76,96,850	-
	(72,15,93,856)	**(58,16,44,925)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2017

PARTICULARS	31.3.2017 ₹	31.3.2016 ₹
III CASH FROM FINANCING ACTIVITIES		
Increase/decrease in Short-Term borrowing	78,31,66,166	64,21,02,640
Decrease in Long-Term Borrowing	29,14,15,742	(29,26,49,454)
Interest paid	(44,14,17,001)	(35,23,32,855)
Dividend Paid	(3,03,38,348)	(2,84,42,202)
	60,28,26,558	**(3,13,21,871)**
Net (decrease)/increase in cash and cash equivalents	11,86,34,297	(3,66,68,317)
Opening cash and bank balances	9,90,83,670	13,57,51,987
Closing cash and bank balances	21,77,17,967	9,90,83,670
Net (decrease)/increase in cash and cash equivalents	11,86,34,297	(3,66,68,317)

As per our report of even date attached
For **P N RAGHAVENDRA RAO & Co**
Chartered Accountants

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

1. Notes to Standalone financial statements for the year ended 31st March 2017

NOTE - 1

Significant accounting policies

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

ii. Investments: Investments are carried individually at cost and are treated as long-term investments. The diminution in the market value of investment is recognized when diminution is considered permanent.

iii. Valuation of Inventory.

Raw materials and stores & spares: At cost determined on First in First out basis or Net Realizable Value, whichever is lower.

Finished goods and by products: At cost or net realizable value, whichever is lower. The cost has been measured on the weighted average cost basis and includes cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

Stock in Process: At estimated weighted average cost basis

iv. The Fixed Assets are carried at historical cost less accumulated depreciation. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities. The fixed assets shown in the books are not revalued.

v. Depreciation on tangible assets other than windmills is provided on the straight line basis over the useful life of assets in accordance with Schedule II of Companies Act, 2013. Depreciation on windmill units has been provided on the basis of written down value method over the useful life of assets in accordance with Schedule II of Companies Act, 2013. Depreciation for assets purchased /sold during a period is proportionately charged. Depreciation on asset additions costing to ₹5,000/- or less is provided at the rate of 100% in the year of capitalization.

vi. The Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the Balance Sheet date are reported at the closing rate or at the rate at which it is likely to be realized from or required to be disbursed. Exchange differences, if any, arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

vii. The Company has opted for Life Insurance Corporation Employees Group Gratuity Scheme to cover its gratuity liability. Contribution paid/payable by the company to LIC of India is charged to revenue on the basis of actuarial valuation towards demand certified by a Certified Actuary.

Provident fund/pension fund are Defined Contribution Schemes and contributions are charged to Profit and Loss Account of the year in which the contribution to the respective funds are due.

Short-Term employee benefits including compensated absences are provided for based on the expected obligation on an undiscounted basis as per Accounting Standard 15 .

viii. Borrowing costs attributable to the acquisition, construction and installation of qualifying capital assets are capitalized till the period before they are put into use.

ix. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the profit and loss account, in the year in which as assets is identified as impaired, An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

x. Current tax is determined at the current rates of income tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961.

xi. Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the rates and tax laws that prevail as at the balance sheet date. The deferred tax are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

xii. Government grants have been recognized based on the reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grants relatable to borrowing cost have been reduced from the borrowing cost thereby reducing the cost of the asset. Government grants relatable to periods after the acquisition, construction and installation of qualifying assets are in the nature of revenue grants and have been recognized on a systematic basis in the profit and loss account.

Export benefits are accounted for in the year of exports based on the eligibility and there is no uncertainty in receiving the same.

xiii. Revenues/incomes and cost/expenditure are generally accounted on accrual basis, as they are earned or incurred. Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

xiv. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential shares.

xv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.

xvi. Provisions, Contingent liabilities and Contingent Assets: Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are shown by way of notes attached to and forming part of the Balance Sheet. Contingent Assets are neither recognized nor disclosed in the financial statements

xvii. Assets taken on lease by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

xviii. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The lease rentals paid under such agreements are accounted in the profit and loss account.

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
2. Share Capital		
a. AUTHORISED		
1,60,00,000 (PY 1,60,00,000) Equity Shares of ₹10/- each	16,00,00,000	16,00,00,000
50,000 (PY 50,000) Cumulative Preference Shares of ₹100/- each	50,00,000	50,00,000
Total	**16,50,00,000**	**16,50,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID UP 1,57,54,269 (PY 1,57,54,269) Equity Shares of ₹10/- each	15,75,42,690	15,75,42,690
Total	**15,75,42,690**	**15,75,42,690**

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

Name of the Share holder	As at 31.3.2017		As at 31.3.2016	
	No.of shares	Amount in ₹	No.of shares	Amount in ₹
Equity Shares				
At the beginning of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690
At the end of the period	1,57,54,269	15,75,42,690	1,57,54,269	15,75,42,690

Terms/rights attached to the Equity shares

The company has issued only one class of equity shares having a par value of ₹10 per equity share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

c. Details of shareholders holding more than 5% shares in the company.

Name of the Share holder	As at 31.3.2017		As at 31.3.2016	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
Murugan Enterprise P Ltd	78,03,733	49.53	78,03,733	49.53
Gagandeep Credit Capital P Ltd	9,87,475	6.27	9,87,475	6.27

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
3. Reserves and Surplus		
a) General reserve		
Opening balance	1,52,95,22,091	1,42,95,22,091
Add: Transferred from surplus in Statement of Profit and Loss	10,00,00,000	10,00,00,000
Closing balance	1,62,95,22,091	1,52,95,22,091
b) Share Premium Account	79,30,76,230	79,30,76,230
c) Surplus in Profit and Loss Account		
Opening balance	20,89,95,811	15,38,30,741
Add: Profit / (Loss) for the year	19,82,58,899	18,55,03,418
Less: Dividends proposed to be distributed to equity shareholders (31.3.16 - ₹1.60 (one rupee sixty paise) per share)	-	2,52,06,830
Tax on dividend	-	51,31,518
Transferred to:		
General reserve	10,00,00,000	10,00,00,000
Closing balance	30,72,54,710	20,89,95,811
Total	**2,72,98,53,031**	**2,53,15,94,132**
4. Deferred Income pending Apportionment		
Capital Subsidy on setting up of undertaking	84,05,334	89,30,667
Less: Transferred to Profit & Loss A/c proportionate to current year depreciation	5,25,333	5,25,333
Balance to be apportioned	**78,80,001**	**84,05,334**
5. Long-Term Borrowing		
a) Term loans from Banks - Secured	1,79,65,55,167	1,53,55,49,655
b) Term loans from Others - Secured		
SIPCOT Soft Loan	25,54,90,406	22,30,64,754
c) Long-term maturities of finance lease obligations		
Secured	51,45,824	71,61,246
Total	**2,05,71,91,397**	**1,76,57,75,655**

Name of the Bank and Details of the loan	Securities and other Terms & Conditions
ICICI Bank Limited - Rupee Term Loan Outstanding as at 31.3.2017 ₹ 3800.00 Lakhs (31.3.2016 - ₹1600 Lakhs) Current maturity for 31.3.2017 - ₹1362.50 Lakhs (31.3.2016 - ₹800 Lakhs) Repayment : 20 quarterly instalments starting from April 2013. Rate of Interest : 12.35% p.a.	"Security : First charge on entire movable and immovable fixed assets of spinning unit I situated at Vadamadurai Village, Vedasandhur Taluk, Dindigul District and entire movable fixed assets of weaving division situated at Karanampettai, Paruvai Road, Coimbatore 641658. Second charge on the current assets of Spinning Unit I situated at Vadamadurai Village, Vedasandhur Taluk, Dindigul.
Bank of Maharastra - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.3.2017 ₹ 467.30 Lakhs (31.3.2016 - ₹1093.75 Lakhs) Current maturity for 31.3.2017 - ₹467.30 Lakhs (31.3.2016 - ₹625 Lakhs) Repayment : 32 Quarterly instalments starting from March 2010. Rate of Interest : 12.20%	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets extended to the bankers who are extending working capital facilities to the company.
Oriental Bank of Commerce - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.3.2017 ₹933.84 Lakhs (31.3.2016 - ₹2808.84 Lakhs) Current maturity for 31.3.2017 ₹933.84 Lakhs (31.3.2016 - ₹1875 Lakhs) Repayment : 32 Quarterly instalments starting from October 2009. Rate of Interest : 12.20% p.a.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets extended to the bankers who are extending working capital facilities to the company.

Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹372.50 Lakhs (31.3.2016 - ₹745.00 Lakhs) Current maturity for 31.3.2017 - ₹372.50 Lakhs (31.3.2016 - ₹372.50 Lakhs) Rate of Interest : 12.15% p.a.	Exclusive First charge by way of Mortgage and hypothecation on windmill unit III assets being financed by the Bank. Repayment : 32 Quarterly instalments starting from June 2011.
Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹2032.93 Lakhs (31.3.2016 - ₹2220.93 Lakhs) Current maturity for 31.3.2017 - ₹ 312 Lakhs (31.3.2016 - ₹188.00 Lakhs) Rate of Interest : 11.65% p.a.	Pari-pasu First charge by way of equitable mortgage over factory land and building at SIPCOT Perundurai and exclusive charge on fixed assets purchased out of the loan. Repayment : 32 Quarterly instalments starting from Feb' 2014.
Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹8889.00 Lakhs (31.3.2016 - ₹9357.00 Lakhs) Current maturity for 31.3.2017 - ₹468.00 Lakhs (31.3.2016 - ₹468.00 Lakhs) Rate of Interest : 11.65% p.a.	Pari - passu First charge by way of Equitable Mortgage over factory land and building constructed and exclusive charge on fixed assets purchased out of the loan. Repayment :32 Quarterly instalments starting from June 2016.
Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹4535.14 Lakhs (31.3.2016 - Nil) Current maturity for 31.3.2017 - Nil (31.3.2016 - Nil) Rate of Interest : 11.20% p.a.	Pari - passu First charge by way of Equitable Mortgage over factory land and building of Spinning Division, Knitting Division and Garment Division and exclusive charge on fixed assets purchased out of the loan. Repayment : 32 Quarterly instalments starting from June 2018.

Indian Overseas Bank - Rupee Term Loan Under Technology Upgradation Fund Scheme Outstanding as at 31.3.2017 ₹587.23 Lakhs (31.3.2016 - ₹1837.23 Lakhs) - Current maturity for 31.3.2017 - ₹587.23 Lakhs (31.3.2016 - ₹1250 Lakhs) Rate of Interest : 12.45% p.a.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets extended to the bankers who are extending working capital facilities to the company. Repayment : 32 Quarterly instalments starting from October 2009.
Indian Overseas Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹1271.00 Lakhs (31.3.2016 - ₹1691.00 Lakhs) Current maturity for 31.3.2017 - ₹420 Lakhs (31.3.2016 - ₹420.00 Lakhs) Rate of Interest : 12.45% p.a.	Exclusive First charge on windmil unit IV & V assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur district, Tamilnadu. Repayment : 32 Quarterly instalments starting from June 2012.
SIPCOT - Soft Loan Outstanding as at 31.3.2017 - ₹2554.90 Lakhs (31.3.2016 - ₹2230.65 Lakhs) Current maturity for 31.3.2017 - Nil (31.3.2016 - Nil) Rate of Interest : 0.10% p.a.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by SIPCOT for the expansion project ranking pari - passu with other banks and Fixed Assets of the Expansion Scheme of Spinning Unit located in Velvarkottai Village, Vadamadurai Village, Vadamadurai, Dindigul Dt., Weaving and Garment Unit at Karanampettai, Coimbatore Dt. and Technical Textile Unit at Kunnathur Village Annur.

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
6. Other Long-Term Liabilities		
Trade / security deposits received	23,27,557	25,50,815
Total	**23,27,557**	**25,50,815**
7. Short-Term Borrowings		
Loans repayable on demand		
From banks - Secured	2,77,61,78,165	2,29,45,15,098
- Unsecured	37,73,57,075	7,58,53,977
Total	**3,15,35,35,240**	**2,37,03,69,075**

Name of the Bank and Details of the loan	Securities and other Terms & Conditions
The Karur Vysya Bank Limited - Working Capital Limit ₹1250 Lakhs Outstanding as at 31.3.2017 ₹1052.92 Lakhs (31.3.2016 - ₹631.46 Lakhs) CC Rate of Interest : 11.30%	Security : First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I. Second charge on the Fixed Assets of the Spinning Unit - I.
Corporation Bank - Working Capital Limit ₹5250 Lakhs Outstanding as at 31.3.2017 - ₹ 2254.66 Lakhs (31.3.2016 - ₹2342.91 Lakhs) CC Rate of Interest : 11.65% p.a.	Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I and II. Second charge on the Fixed Assets of the Spinning Unit - I and II.
ICICI Bank Limited - Working Capital Limit ₹11000 Lakhs Outstanding as at 31.3.2017 ₹5996.14 Lakhs (31.3.2016 - ₹5145.83 Lakhs) PCFC Rate of Interest : 3.50% p.a.	Security : First Charge by way of Hypothecation of Raw materials, Semi-finished and Finished goods, Consumable stores and Spares and other movable properties both present and future for Limit upto ₹1500 Lakhs.
Oriental Bank of Commerce - Working Capital Limit ₹6000 Lakhs (Interchangable of Cash credit/Rupee Packing Credit/ Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2017 - ₹4240.83 Lakhs (31.3.2016 - ₹4915.42 Lakhs) CC Rate of Interest : 12.20% PCFC Rate of Interest : 3.85% p.a.	Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. First Pari-passu Charge on Current Assets of Garment and Processing Division

Indian Overseas Bank - Working Capital Limit ₹10000 Lakhs (Interchangable of Cash credit/WCFC/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2017 - ₹7185.76 Lakhs (31.3.2016 - ₹7487.26 Lakhs) CC Rate of Interest : 12.15% PCFC Rate of Interest : 3.86% p.a.	Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements.
Bank of Maharashtra - Working Capital Limit ₹1500 Lakhs Outstanding as at 31.3.2017 ₹1113.85 Lakhs (31.3.2016 - ₹257.61 Lakhs) CC Rate of Interest : 12.20% p.a.	Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements.
Allahabad Bank - Working Capital Limit (Interchangable of Cash credit/Packing Credit/Packing Credit in Foreign Currency Loan) ₹4500 Lakhs. Outstanding as at 31.3.2017 ₹4299.32 Lakhs (31.3.2016 - ₹1341.72 Lakhs) CC Rate of Interest : 12.20% p.a. PCFC Rate of Interest : 3.86%	Security: Pari-pasu first charge on current assets of the Company's Spinning Unit- II along with other banks who have extended Working Capital Finance under multiple banking arrangements. Exclusive first charge on the Current Assets of the Company's Garment Division Pari- Passu second charge on Fixed Assets of the Company's Spinning Unit -II along with other Working Capital lenders of Spinning Unit - II. Pari-passu second charge on Fixed Assets of the Company's Garment Division.

Bank of Bahrain and Kuwait B.S.C. - Working Capital Limit ₹2000 Lakhs Outstanding as at 31.3.2017 ₹Nil (31.3.2016 - ₹747.90 Lakhs) CC Rate of Interest : 10.50% PCFC Rate of Interest : 2.40% p.a.	Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I. Second charge on the Fixed Assets of the Spinning Unit - I.
Indian Bank - Working Capital Limit ₹3000 Lakhs Outstanding as at 31.3.2017 ₹1618.29 Lakhs (31.3.2016 - Nil) CC Rate of Interest : 10.65% p.a.	Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Garment Division. Second charge on the Fixed Assets of the Garment Division.
Kotak Mahindra Bank - Working Capital Limit ₹3000 Lakhs Outstanding as at 31.3.2017 ₹1273.57 Lakhs (31.3.2016 - ₹758.54)	Security: Unsecured Short term loan Rate of Interest : 10% p.a. PCFC Rate of Interest : 2.15% p.a.
HDFC Bank - Working Capital Limit ₹2500 Lakhs Outstanding as at 31.3.2017 ₹2500 Lakhs (31.3.2016 - Nil)	Security : Unsecured Rate of Interest : 8.50% p.a.

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
8. Trade Payables		
Acceptances	37,48,52,220	84,66,46,301
Total	**37,48,52,220**	**84,66,46,301**
9. Other Current Liabilities		
a) Current maturities of long-term debt	49,23,36,752	63,59,62,506
b) Current maturities of finance lease obligations	20,18,001	18,44,933
c) Interest accrued and due on borrowings	1,80,25,983	2,15,36,691
d) Unclaimed dividend	2,21,251	-
e) Salaries & Wages	3,45,03,630	1,52,17,028
f) Other payables		
i) Statutory remittances (Contributions to PF and ESIC Withholding Taxes Excise Duty VAT Service Tax etc.)	1,45,78,289	1,13,34,949
ii) Payables on purchase of fixed assets	1,18,26,296	81,73,479
iii) Contractually reimbursable expenses	5,86,717	2,38,838
iv) Advances from customers	5,53,97,127	5,38,72,595
Total	**62,94,94,046**	**74,81,81,019**
10. Short Term Provisions		
a) Provision for employee benefits:		
i) Provision for bonus	1,60,75,429	1,53,34,944
b) Provision - Others:		
i) Provision for tax	1,18,93,393	72,05,276
ii) Provision for proposed equity dividend	-	2,52,06,830
iii) Provision for tax on proposed dividends	-	51,31,518
Total	**2,79,68,822**	**5,28,78,568**

NOTE NO. : 11.
FIXED ASSETS

(in ₹)

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.4.2016	Addition	Deletion	As at 31.3.2017	Upto 31.3.2016	Depreciation charge for the year	On Disposals	As at 31.3.2017	As at 31.3.2017	As at 31.3.2016
	Tangible Asset										
1	Land & Site Development	16,46,63,149	42,98,255	-	16,89,61,405	4,80,276	2,40,138	-	7,20,414	16,82,40,991	16,41,82,873
2	Building										
	a. Owned	1,42,59,11,495	6,64,74,958	-	1,49,23,86,453	33,98,77,037	4,16,92,833	-	38,15,69,870	1,11,08,16,583	1,08,60,34,458
	b. Leasehold	4,70,95,642	9,37,53,700	-	14,08,49,342	58,20,073	27,01,134	-	85,21,207	13,23,28,135	4,12,75,569
3	Plant & Machinery	6,43,07,87,310	70,54,46,067	5,41,84,994	7,08,20,48,383	2,76,40,31,962	24,03,01,141	2,04,53,217	2,98,38,79,885	4,09,81,68,498	3,66,67,55,348
4	Office Equipment	3,94,60,319	1,85,92,925	-	5,80,53,244	2,48,68,205	1,15,90,588	-	3,64,58,793	2,15,94,451	1,45,92,114
5	Furniture & Fitting	1,44,21,822	32,21,616	54,960	1,75,88,478	66,58,704	17,00,045	7,832	83,50,917	92,37,561	77,63,119
6	Vehicle	2,96,62,841	8,78,445	5,44,761	2,99,96,525	1,71,62,238	41,53,137	5,44,762	2,07,70,614	92,25,912	1,25,00,603
7	Tools & Implements	3,75,285	-	-	3,75,285	1,86,701	4,911	-	1,91,612	1,83,673	1,88,584
	(A)	**8,15,23,77,864**	**89,26,65,966**	**5,47,84,715**	**8,99,02,59,115**	**3,15,90,85,196**	**30,23,83,927**	**2,10,05,811**	**3,44,04,63,312**	**5,54,97,95,803**	**4,99,32,92,668**
	Capital Work In Progress										
1	Building	5,19,56,983	-	5,19,56,983	-	-	-	-	-	-	5,19,56,983
2	Plant & Machinery	14,52,36,991	7,19,45,470	12,39,38,135	9,32,44,326	-	-	-	-	9,32,44,326	14,52,36,991
3	Product Development Expenses	40,00,000	-	40,00,000	-	-	-	-	-	-	40,00,000
	(B)	**20,11,93,974**	**7,19,45,470**	**17,98,95,118**	**9,32,44,326**	**-**	**-**	**-**	**-**	**9,32,44,326**	**20,11,93,974**
	Total for the year (A+B)	**8,35,35,71,838**	**96,46,11,436**	**23,46,79,833**	**9,08,35,03,440**	**3,15,90,85,196**	**30,23,83,927**	**2,10,05,811**	**3,44,04,63,312**	**5,64,30,40,128**	**5,19,44,86,642**
	Previous Year	**7,76,59,96,775**	**1,06,46,61,534**	**47,70,86,470**	**8,35,35,71,838**	**2,87,10,13,992**	**28,80,71,204**	**-**	**3,15,90,85,196**	**5,19,44,86,642**	**4,89,49,82,783**

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
12. Non Current Investments		
I. NON-TRADE QUOTED - AT COST - FULLY PAID UP		
a. INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES:		
i) 250 (P.Y : 250) Equity Shares of Bannari Amman Sugars Ltd of ₹10 each	31,434	31,434
ii) 17 (P.Y : 17) Equity Shares of Moil Ltd of ₹10 each	6,056	6,056
Total	**37,490**	**37,490**
II. NON-TRADE UN QUOTED - AT COST		
A. IN GOVERNMENT SECURITIES :		
Kisan Vikas Patra	3,000	3,000
B. IN EQUITY INSTRUMENTS OF JOINT VENTURE / ASSOCIATES/SUBSIDIARIES:		
i) 21720202 (P.Y : 21720202) Equity shares of ₹10/- each in Young Brand Apparel P Ltd (Bannari Amman Apparel P Ltd)	23,01,04,490	23,01,04,490
ii) 10000 (P.Y : 5000) Equity shares of ₹10/- each in Accel Apparels P Ltd	1,00,000	50,000
iii) 100000 (P.Y : Nil) Equity shares of ₹ 10/- each in Abirami Amman Mills P Ltd	10,00,000	-
C. IN EQUITY/PREFERENCE INSTRUMENTS OF OTHER ENTITIES:		
i) 130000 (P.Y : 302336) Preference shares of ₹100/- each in Anamallais Agencies P Ltd	1,39,09,097	2,39,54,557
ii) 6443 (P.Y : 6443) Preference shares of ₹100/- each in Shiva Automobile P Ltd	5,10,479	5,10,479
iii) 1123 (P.Y : 1123) Preference shares of ₹100/- each in Kandiamman Properties & Holdings P Ltd	88,975	88,975
iv) 34137 (P.Y : 34137) Preference shares of ₹100/- each in Kandiamman Realtors & Developers P Ltd	27,04,675	27,04,675
v) Nil (P.Y : 389200) Equity shares of ₹10/- each in Cauvery Power Generation Corporation Ltd	-	1,12,00,000
vi) 15000 (P.Y : 15000) Equity shares of ₹10/- each in OPG Metal Power P Ltd	1,50,000	1,50,000
vii) 77800 (P.Y : 129300) Equity shares of ₹11/- each in OPG Power Generation P Ltd	8,55,800	14,22,300
viii) 750 (P.Y : Nil) Equity shares of ₹10/- each in ARS Energy P Ltd	2,06,250	-
ix) 100 (P.Y : Nil) Equity shares of ₹10/- each in TCP Ltd	47,000	-
Total	**24,96,79,766**	**27,01,88,476**

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
Aggregate cost of Quoted Investments	37,490	37,490
Aggregate market value of Quoted Investments	4,99,571	3,59,138
Aggregate cost of unquoted Investments	24,96,79,766	27,01,88,476
Total (Unquoted & Quoted)	**24,97,17,256**	**27,02,25,966**
13. Long-Term Loans and Advances (Unsecured considered good)		
a) Capital advances	6,80,38,442	4,69,11,392
b) Security deposits	8,63,92,641	5,84,52,155
c) Advance income tax (net of provisions)	1,06,26,553	60,90,584
d) MAT credit entitlement	48,94,50,444	48,25,81,402
e) Other loans and advances	1,68,72,600	4,76,18,403
Total	**67,13,80,680**	**64,16,53,935**
14. Other Non Current Assets		
a) Others		
Receivables on sale of fixed assets	1,85,00,000	2,34,91,545
Total	**1,85,00,000**	**2,34,91,545**
15. Inventories		
a) Raw materials	1,41,86,46,097	1,34,09,19,059
b) Work-in-progress	9,69,56,502	13,78,49,421
c) Finished goods (other than those acquired for trading)	49,93,64,816	43,47,13,948
d) Stock-in-trade (acquired for trading)	51,20,963	37,39,932
e) Stores and spares	5,37,20,056	4,47,32,756
Total	**2,07,38,08,434**	**1,96,19,55,116**
16. Trade Receivables (Unsecured considered good)		
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	7,59,64,438	1,18,39,183
b) Other Trade receivables	82,62,97,231	86,73,02,753
Total	**90,22,61,669**	**87,91,41,936**

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
17. Cash and Cash Equivalents		
i) Cash and Cash Equivalents		
a) Cash on hand	16,13,491	51,14,888
b) Cheques drafts on hand	48,50,000	2,30,00,000
ii) Balances with banks		
a) In current accounts	14,99,33,047	3,09,60,420
b) In deposit accounts	2,00,00,000	3,50,000
iii) In earmarked accounts		
a) Unclaimed dividend accounts	14,07,316	-
b) Balances held as margin money or security against borrowing guarantees and other commitments	3,92,37,978	3,90,00,829
iv) Others (Stamps)	6,76,135	6,57,533
Total	**21,77,17,967**	**9,90,83,670**
18. Short-Term Loans and Advances (Unsecured considered good)		
a) Security deposits	43,330	1,26,343
b) Loans and advances to employees	19,10,220	22,92,670
c) Prepaid expenses	6,05,02,662	4,09,61,468
d) Balances with government authorities		
i) CENVAT credit receivable	3,84,592	63,76,724
ii) VAT credit receivable	29,36,476	29,47,510
iii) Excise Duty Rebate receivable	53,62,181	19,73,040
iv) Duty Drawback receivable	2,66,99,599	2,73,51,478
e) Others (Advance for Purchase)	5,33,10,949	5,39,81,224
f) Advance income tax	68,20,202	-
Total	**15,79,70,211**	**13,60,10,456**
19. Other Current Assets		
a) Unbilled revenue	52,96,053	40,17,074
b) Interest accrued on deposits	20,31,261	-
c) TUF Subsidy Receivable	2,34,63,109	9,77,18,844
Total	**3,07,90,423**	**10,17,35,918**

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
20. Revenue from operations		
Sale of products (Refer Note (i) below)	8,39,74,33,389	7,40,66,40,293
Sale of services (Refer Note (ii) below)	16,80,39,685	14,79,45,390
Other operating revenues (Refer Note (iii) below)	17,39,69,207	15,54,57,262
Total	**8,73,94,42,281**	**7,71,00,42,945**
i) Sale of products comprises:		
Manufactured goods		
Yarn	3,44,24,10,002	3,58,21,36,778
Fabric	3,80,38,40,995	2,70,09,49,318
Waste Cotton	37,46,22,996	29,09,26,362
Garments	27,04,85,383	33,47,84,284
Total - Sale of manufactured goods	**7,89,13,59,376**	**6,90,87,96,743**
Traded goods		
Yarn	46,08,12,380	49,78,43,550
Cotton	4,52,61,633	-
Total - Sale of traded goods	**50,60,74,013**	**49,78,43,550**
Total - Sale of goods (Manufactured and Traded)	**8,39,74,33,389**	**7,40,66,40,293**
ii) Sale of services comprises:		
Sizing, CMT, Knitting & Processing Charges	15,60,39,685	13,59,45,390
Rental Income from operating lease	1,20,00,000	1,20,00,000
Total - Sale of services	**16,80,39,685**	**14,79,45,390**
iii) Other operating revenues comprise:		
Sale of scrap	2,08,54,623	1,69,56,637
Duty drawback and other export incentives	15,25,89,251	13,79,42,358
SIPCOT Subsidy	5,25,333	5,25,333
Others - Sale of Certified Emission Reduction	-	32,934
Total - Other operating revenues	**17,39,69,207**	**15,54,57,262**

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
21. Other income		
Interest income (Refer Note (i) below)	69,90,164	75,52,469
Others	119	111
Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	7,50,764
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	23,69,897	1,07,044
Total	**93,60,180**	**84,10,388**
i) Interest income comprises:		
Interest from banks on:		
Deposits	7,49,796	18,37,566
Interest on income tax refund	-	23,14,080
Interest on EB Deposit	62,40,368	34,00,823
Total - Interest income	**69,90,164**	**75,52,469**
ii) Other non-operating income comprises:		
a) Profit on Sale of Asset	23,69,897	-
b) Miscellaneous income	-	1,07,044
Total - Other non-operating income	**23,69,897**	**1,07,044**
22. Cost of materials consumed		
Opening stock		
Cotton	1,16,19,81,738	84,29,30,044
Chemicals	72,70,248	85,70,013
Fabric	1,61,55,926	1,36,81,661
Yarn	15,22,61,718	10,91,76,313
Trims	32,49,430	20,25,912
Add: Purchases		
Cotton	4,10,03,45,174	3,84,42,80,740
Chemicals	9,92,98,390	8,21,91,712
Fabric	25,51,55,346	14,74,47,745
Yarn	1,34,67,78,438	95,01,99,508
Trims	2,21,39,106	4,93,76,683

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
Less: Closing stock		
Cotton	1,03,96,42,621	1,16,19,81,738
Chemicals	88,02,490	72,70,248
Fabric	8,15,16,952	1,61,55,926
Yarn	28,71,00,735	15,22,61,717
Trims	15,83,298	32,49,430
Cost of material consumed	**5,74,59,89,417**	**4,70,89,61,271**
Material consumed comprises:		
Raw material - Cotton	4,22,26,84,291	3,52,52,29,046
Raw material - Chemicals	9,77,66,148	8,34,91,477
Raw material - Fabric	18,97,94,319	14,49,73,480
Raw material - Yarn	1,21,19,39,421	90,71,14,104
Raw material - Trims	2,38,05,238	4,81,53,165
Total	**5,74,59,89,417**	**4,70,89,61,271**
23. Purchase of traded goods		
Traded good - Fabric	5,600	-
Traded good - Yarn	44,95,83,446	52,95,03,443
Total	**44,95,89,046**	**52,95,03,443**
24. Changes in inventories of finished goods work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	45,91,67,292	42,00,55,821
Work-in-progress	9,69,56,502	12,38,46,247
Stock-in-trade	51,20,963	37,39,932
Total	**56,12,44,757**	**54,76,42,000**
Inventories at the beginning of the year:		
Finished goods	43,47,13,948	42,16,18,506
Work-in-progress	13,78,49,421	7,54,45,569
Stock-in-trade	37,39,932	38,17,044
Total	**57,63,03,301**	**50,08,81,119**
Net (increase) / decrease	**1,50,58,544**	**(4,67,60,881)**

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
25. Employee benefits expenses		
Salaries and wages	44,04,05,389	36,12,58,734
Contributions to provident and other funds	3,51,50,082	3,37,89,075
Staff welfare expenses	6,62,38,555	5,33,50,378
Total	**54,17,94,026**	**44,83,98,187**
26. Finance costs		
a) Interest expense on:		
i) Borrowings	40,14,44,515	33,43,11,752
b) Other borrowing costs	3,64,61,778	1,99,34,888
c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	90,63,260
Total	**43,79,06,293**	**36,33,09,899**
27. Other expenses		
Consumption of stores and spare parts	68,07,242	83,55,912
Manufacturing Expenses	5,17,22,578	3,92,82,038
Consumption of packing materials	8,89,85,339	5,64,57,085
Power and fuel	30,12,47,834	51,29,86,151
Water	37,31,635	30,29,976
Rent including lease rentals	1,21,19,158	1,21,58,826
Repairs and maintenance - Buildings	82,67,483	84,04,181
Repairs and maintenance - Machinery	13,93,45,670	15,16,55,507
Repairs and maintenance - Others	1,65,49,534	1,47,64,836
Insurance	2,57,91,840	2,15,24,583
Rates and taxes	4,15,49,326	4,75,47,088
Communication	75,42,474	70,96,246
Travelling and conveyance	1,95,74,713	1,79,80,586
Printing and stationery	54,32,263	53,22,236
Freight and forwarding	12,66,80,020	10,76,26,876
Sales commission	8,52,15,348	7,38,31,955

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
Sales discount	4,51,05,994	3,69,81,908
Quality Claim	4,88,146	1,54,518
Hank Yarn Obligation	14,87,572	26,21,154
Business promotion	6,39,746	62,29,236
Donations and contributions	3,77,411	4,97,568
Legal and professional	1,08,81,634	90,63,930
Payments to auditors (Refer Note (I) below)	25,19,150	28,67,405
Corporate Social Responsibilty	30,61,000	3,16,389
Bad trade and other receivables loans and advances written off	31,16,739	-
Miscellaneous expenses	36,76,732	29,29,389
Total	**1,01,19,16,584**	**1,14,96,85,579**
i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As Auditors - Statutory audit	14,00,000	12,50,000
For Taxation matters	4,02,500	6,83,355
For Other services - Certification	7,16,650	9,28,050
Total	**25,19,150**	**28,67,405**

28. Contingent Liability:

a. The amount of duty concession availed against the pending obligation (For import of capital goods under concessional customs duty linked to fulfillment of export obligations) for the year ended 31.3.2017 is ₹1646.62 Lakhs. (31.3.2016 - ₹1762.05 Lakhs).

b. The Sales Tax Department has demanded the Central Sales Tax amounting to ₹134.15 Lakhs on account of exempted sales made by the Company during the financial year 2008-09 and 2009-10. The company has preferred a writ petition before the Hon'ble High Court of Madras on the ground that the order is barred by limitation and obtained an interim stay for payment of the impugned tax.

c. The Income Tax Department has demanded ₹44.12 Lakhs on account of income tax assessment for the financial year 2009 – 10, 2010 – 11 and 2012 – 13. The Company has appealed the matter to Commissioner of Income Tax (Appeals), Coimbatore.

d. The Central Excise Department has demanded the excise duty amounting to ₹69.61 Lakhs on account of rebate claim on export of cotton yarn for the period from Dec'2008 to July'2009. The Company has appealed the matter with CESTAT, Chennai and obtained an interim stay for payment of duty.

e. The Central Excise Department has demanded the excise duty amounting to ₹72.62 Lakhs for erroneous refund stating that rebate claims are not eligible of capital goods used in export goods for the period from May'2016 – December'2016. The company has filed Memorandum of Cross Objection with Commissioner (Appeals) Madurai.

f. The TANGEDCO has demanded charges and tax amounting to ₹772.94 Lakhs for the period from August 2011 to March 2017 as follows:

Type of Charges/Tax	Period	₹in Lakhs	Status
Self Generation Tax on windmill generated units & E-Tax on Maximum Demand Charges.	Aug'11 to Mar'17	315.79	The company through TASMA had filed a writ petition before the Hon'ble High Court of Madras and obtained a interim stay for payment of tax.
Scheduling and System Operation charges	Apr'16 to Feb'17	51.93	The company through TASMA had filed a writ petition before the Hon'ble High Court of Madras and obtained interim stay for payment of charges.
Deemed Demand charges on 50% of CPP power	Sept '13 to Feb'17	156.16	The Company has filed a writ petition before the Hon'ble High Court of Madras and obtained interim stay for payment of charges

Type of Charges/Tax	Period	₹ in Lakhs	Status
Peak Hour Penalty Charges	Sept'12 to May'15	80.61	The Company has filed a writ petition before The Madurai Bench of Madras High Court and obtained interim stay for payment of charges
70% of windmill banking charges	Dec'14 to Mar'17	168.45	The Company has filed a writ petition before the Hon'ble High Court of Madras and obtained interim stay for payment of charges.

29. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to ₹308.00 Lakhs (31.3.2016 – ₹5651.21 Lakhs) approximately.

30. Details of Foreign Currency Exposures

Particulars	Outstanding foreign currency exposures as at 31.3.2017	Exposure Covered by Hedging	Exposure not Covered by Hedging
Cotton Import	Nil ($109,70,407)	Nil ($73,83,378)	Nil ($35,87,029)
Machinery Import	Nil (€4,40,440)	Nil (€4,40,440)	Nil (Nil)
Export sales	$16,24,703 ($ 34,88,824)	$16,25,224 ($ 34,88,824)	Nil (Nil)
Export Sales	€10,52,739 (€10,85,498)	€10,52,739 (€10,85,498)	Nil (Nil)
Export Sales	GBP 38,336 (GBP 40,836)	GBP 38,336 (GBP 40,836)	Nil (Nil)

($ - US Dollar, € - Euro, GBP- Great Britain Pounds).

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

31. Value of Imports calculated on CIF basis : (in ₹)

Particulars	FY 2016-17	FY 2015-16
Raw Materials	57,36,11,587	74,73,91,886
Spares& Capital Goods	18,55,09,085	17,00,61,318

32. Expenditure in Foreign Currency : (in ₹)

Nature of Expenses	FY 2016-17	FY 2015-16
Royalty, Know how, Professional/ Consultation Fees/Commission	1,87,46,444	2,15,82,601
Interest & Others	6,10,831	30,77,225
Traveling Expenses	60,16,831	59,60,622

Amount Remitted In Foreign Currency (in ₹)	FY 2016-17	FY 2015-16
Amount remitted on account of Dividend	1,48,018	1,36,755
No. of Non-resident Shareholders	34	41
No. of shares held by them	92,511	91,170
Year to which the dividend related	2015-16	2014-15

33. Earnings in Foreign Exchange: (in ₹)

Particulars	FY 2016-17	FY 2015-16
Export of goods on FOB Basis	3,56,95,17,703	2,79,74,56,412

34. Value of Imported/Indigenous Materials Consumed:

Particulars	FY 2016-17		FY 2015-16	
	Value (₹)	%	Value (₹)	%
Raw Material				
Cotton-Imported	56,83,82,200	13.46	72,74,34,782	20.64
Cotton-Indigenous	3,65,43,02,091	86.54	2,79,77,94,264	79.36
Yarn – Import	1,97,768	0.02	-	-
Yarn – Indigenous	1,21,17,41,653	99.98	89,59,59,479	100.00
Fabric – Indigenous	18,97,94,319	100.00	15,61,28,105	100.00
Chemical – Indigenous	9,77,66,148	100.00	8,34,91,477	100.00
Trims – Imported	50,31,619	21.14	1,99,57,104	41.45
Trims – Indigenous	1,87,73,619	78.86	2,81,96,061	58.55
Stores & Spares				
Indigenous	68,07,242	100.00	83,55,912	100.00

35. Details of Government Grants : (in ₹)

Details	FY 2016-17	FY 2015-16
Interest subsidy under TUF Scheme (netted off with interest expenses)	4,16,49,632	5,38,29,785
Duty drawback and Other Export Incentives (recognized under Other operating revenues)	15,25,89,251	13,79,42,358
Capital Subsidy Received for setting up of manufacturing facility	-	2,51,38,000

36. Details of borrowing cost capitalized during the year under fixed assets – ₹316.37 Lakhs (31.3.2016 - ₹126.51 Lakhs).

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

38. Amount Pertaining to the Land and Building comprised in the Fixed Assets Schedule represented by 2,36,394 Equity Shares of ₹10/- each of section 8 Company and Leave & License Agreement.

39. Defined contribution plan: Contribution made by the company to defined contribution plan which are recognized and charged to profit and loss account during the year are as under

Particulars	FY 2016-17 (₹)	FY 2015-16 (₹)
Provident Fund	1,50,05,715	1,00,61,486
Family Pension Fund	1,36,30,119	1,25,02,467
Employees State Insurance	65,14,248	53,42,448

Defined Benefit Plan- Gratuity

Particulars	FY 2016-17 (₹)	FY 2015-16 (₹)
A. Change in Defined Benefit Obligation		
Present Value-Opening Balance	2,46,25,307	2,12,63,981
Current Service Cost	24,53,228	20,96,896
Interest Cost	18,43,034	16,05,411
Actuarial Gain/(loss)	53,97,470	9,16,769
Benefits Paid	(12,54,942)	(12,57,750)
Present Value- Closing balance	**3,30,64,097**	**2,46,25,307**
B. Change in Fair Value of Plan Assets		
Opening Balance	3,21,37,967	2,78,56,326
Expected Return	23,98,612	23,10,908
Actuarial Gain/(loss)	(1,01,986)	(89,303)
Contributions by employer	22,46,692	33,17,786
Benefits Paid	(12,54,942)	(12,57,750)
Closing Balance	3,54,26,343	3,21,37,967
Actual Return	22,96,626	22,21,605
C. Net Asset/(Liability) recognized in the Balance Sheet (as at year end)		
Present Value of Obligations	3,30,64,097	2,46,25,308
Fair value of Plan assets	3,54,26,343	3,21,37,967
Net assets / (Liability) recognized	**23,62,246**	**75,12,659**

Particulars	FY 2016-17 (₹)	FY 2015-16 (₹)
D. Expenses recognized in the profit and loss statement		
Current Service Cost	24,53,228	20,96,896
Interest on obligation	18,43,034	16,05,411
Expected return on Plan Assets	(23,98,612)	(23,10,908)
Net Actuarial Gain/(loss)	54,99,456	10,06,072
Total included in Employee Benefit Expense	73,97,106	23,97,472
E. Categories of Plan assets as a Percentage of Total Plan assets		
Equity Instruments	-	-
Debt Instruments	-	-
Property	-	-
Insurer Managed Asset	100%	100%
F. Principal Actuarial Assumptions		
Mortality	Indian assured lives mortality (2006-08) ultimate	
Discount rate (%)	7.35%	7.68%
Future Salary increase (%)	7.50%	7.50%
Rate of return of Plan Assets (%)	7.35%	8.00%

40. Related Party Disclosure :

i) Related Parties

Key Management Personnel	Sri S V Arumugam, Managing Director
Relatives of Key Management Personnel	Sri A Senthil, S/o. Sri S V Arumugam Chief Executive Officer,
Joint Venture & Subsidiaries:	Young Brand Apparel Private Limited (Joint Venture) ₹3,85,89,145/- Accel Apparels Private Limited (Subsidiary) Abirami Amman Mills Private Limited (Subsidiary)

Enterprises in which the Key management Personnel or relatives have significant influence.	Shiva Texyarn Limited	- ₹ 3,83,98,352/-
	Anamallais Automobiles P Ltd	- Nil
	Shiva Automobiles Private Limited	- ₹ 8,59,409/-
	Vedanayagam Oil Company	- (₹ 25,372)/-
	Sakthi Murugan Transports Limited	- Nil

ii) **Related Party Transactions :**

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.3.2017
Purchase of Yarn	₹ 10,65,34,800	(₹ 8,56,32,120)	₹ 7,78,21,534/- (₹ 3,56,63,765/-)
Sale of Yarn	₹ 93,67,756	(₹ 80,02,548)	
Sale of Fabric	₹ 11,79,45,472	(₹ 5,35,57,463)	
Conversion Charges Received	₹ 45,66,683	(₹ 1,32,80,174)	
Conversion Charges Paid	₹11,24,897	(₹ Nil)	
Lease Rent Received	₹1,20,00,000	(₹1,20,00,000)	
Lease Rent Paid	₹ 63,59,250	(₹ 63,60,000)	
Vehicle Maintenance Paid	₹ 2,60,860	(₹ 4,74,090)	
Vehicle Maintenance Received	₹ 1,48,126	(₹ Nil)	
Purchase of Fabric	₹ 3,62,50,205	(₹ 1,00,39,861)	
Processing charges received	₹ 64,37,872	(₹ 51,37,678)	
Processing Charges paid	₹ 11,24,897	(₹ Nil)	
Purchase of Fuel	₹ 2,27,995	(₹ Nil)	
Rent Paid	₹ 3,10,161	(₹ 2,94,958)	
Remuneration of KMP	₹ 2,43,92,601	(₹ 2,52,39,643)	
Salary to Relative of KMP	₹ 30,00,000	(₹ 30,00,000)	

41. Basic and Diluted Earnings per Share :

Details	FY 2016-17	FY 2015-16
Profit/(Loss) for the year attributable to Equity Share holders (₹)	19,82,58,905	18,55,03,417
Weighted average number of Equity Shares.	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share ₹)	12.58	11.77
Nominal Value of Share (₹)	10.00	10.00

There are no extraordinary items during the current financial year.

42. The net deferred tax liabilities as at 31.3.2017 comprise the following as per the Accounting Standard 22.

Particulars	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)
Deferred Tax Liability on A/c of Depreciation	82,45,41,765	83,29,71,295
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation.	-	91,29,698
Net Deferred Tax Liability	82,45,41,765	82,38,41,597

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

43. Disclosures regarding interest in Joint Venture - The Company has invested ₹2301.04 Lakhs (₹2301.04 Lakhs) in the equity shares of Young Brand Apparel Private Ltd as on 31.3.2017. The company does not have any further capital commitment towards purchase of shares of the Joint venture entity.

44. Details of interest in Joint Venture Company

(₹ in Lakhs)

Name of the Company	Country of incorporation	% of voting power held as on 31.3.2017	% of voting power held as on 31.3.2016
Young Brand Apparel Private Limited	India	33.33	33.33

The Proportionate interest of the Company in the Joint Venture entity as on 31.3.2017 is as under:

(₹ in Lakhs)

Financial Year Ended	Assets	Liabilities	Contingent Liabilities	Income	Expenditure
31.3.2017	4346.39	3051.00	561.91	5590.33	5539.99

45. As a part of its initiative under the "Corporate Social Responsibility" the company has undertaken projects in the area of rural development and promoting health care. These projects are in accordance with schedule VII of the Companies Act, 2013 and the Company's CSR policy. The following social activities listed below:

(₹ in Lakhs)

S No	Corporate Social Responsibility	Amount
1.	Vedapatty Panchayat (Local Residential Toilet)	2.11
2.	Kodangipalayam Village (Local Residental Toilet)	2.00
3.	Purchase of Accessories for Disabled School Students	3.50
4.	Project "Thalir"	10.00
5.	School Development Expenses	13.00
	Total	**30.61**

46. Details of Specified Bank Notes (SBN) held and transacted during the period from 8.11.2016 to 30.12.2016

(₹ in Lakhs)

Particulars	SBN	Other	Total
Closing Balance as at 8.11.2016	16.97	64.16	81.13
(+) Permitted Receipts	-	42.31	42.31
(-) Deposited in Bank	15.18	0.32	15.50
(-) Permitted payment	1.79	99.47	101.26
Closing Balance as at 30.12.2016	-	6.68	6.68

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

As per our report of even date attached

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

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To

The Members of Bannari Amman Spinning Mills Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of BANNARI AMMAN SPINNING MILLS LIMITED ("the Company"), its subsidiaries and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

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

3. Auditors' Responsibility

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

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company, its subsidiaries and jointly controlled entity as at March 31, 2017, and their Consolidated profit and their consolidated cash flows for the year ended on that date.

5. Report on other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.

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

e) On the basis of the written representations received from the Directors the company as on March 31, 2017, and taken on record by the Board of Directors of the company, its subsidiaries and jointly controlled entity, none of the Directors of the company, its subsidiaries and jointly controlled entity is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Company and its jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the company, its subsidiaries and jointly controlled entity - refer Note No.29 to the consolidated financial statements.

ii) The company, its subsidiaries and jointly controlled entity did not have any material foreseeable losses, on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the company, its subsidiaries and jointly controlled entity incorporated in India.

iv) The company and its associate company, jointly controlled entity and its subsidiaries incorporated in India has provided requisite disclosure in the consolidated financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. On the basis of information available with the company, based on the audit procedures and relying on management's representation, we report that the disclosures are in accordance with the books of accounts maintained by the company and its associate company incorporated in India and as produced to us by the Management – Refer note no.36.

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

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

Coimbatore
30th May, 2017

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

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

In conjunction with our audit of the consolidated financial statements of M/s. Bannari Amman Spinning Mills Limited ("The Company") as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of the Company and its subsidiaries and jointly controlled company which are companies incorporated in India as of that date.

Management's responsibility for Internal Financial Controls:

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

Auditor's responsibility

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

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

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

Meaning of Internal Financial Control Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company and its subsidiary companies and jointly controlled company have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

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

Coimbatore
30th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31.3.2017

PARTICULARS	Note No.	As at 31.3.2017 ₹	As at 31.3.2016 ₹
I. EQUITY AND LIABILITIES :			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	2	15,75,42,690	15,75,42,690
b) Reserves and Surplus	3	2,64,20,60,699	2,44,08,41,258
2. DEFERRED INCOME PENDING APPORTIONMENT	4	78,80,001	84,05,334
3. NON-CURRENT LIABILITIES			
a) Long-Term Borrowing	5	2,11,56,98,659	1,82,20,34,319
b) Deferred Tax Liabilities (Net)		78,81,82,105	78,59,48,366
c) Other Long-Term Liabilities	6	23,27,557	25,50,815
d) Long-Term Provisions	7	33,90,059	36,86,692
4. CURRENT LIABILITIES			
a) Short-Term Borrowing	8	3,27,15,56,363	2,50,04,22,413
b) Trade Payables	9	44,60,54,600	89,66,50,037
c) Other Current Liabilities	10	71,56,67,054	79,88,70,232
d) Short-Term Provisions	11	3,22,21,434	5,49,10,505
TOTAL		**10,18,25,81,220**	**9,47,18,62,660**
II. ASSETS :			
1. NON-CURRENT ASSETS			
a) Fixed Assets			
i) Tangible Assets	12	5,70,31,30,228	5,12,82,17,414
ii) Intangible Assets		1,36,99,863	1,33,20,665
iii) Capital Works in Progress		9,32,44,326	20,11,93,974
b) Non-Current Investments	13	1,85,12,766	4,01,21,476
c) Long-Term Loans and Advances	14	67,30,51,219	64,28,05,215
d) Other Non-Current Assets	15	1,85,00,000	2,34,91,545
2. CURRENT ASSETS			
a) Inventories	16	2,20,33,56,488	2,05,85,67,834
b) Trade Receivables	17	99,56,04,566	97,16,74,714
c) Cash and Cash Equivalents	18	24,12,22,949	13,16,05,887
d) Short-Term Loans and Advances	19	16,52,22,669	14,57,25,069
e) Other Current Assets	20	5,70,36,145	11,51,38,868
TOTAL		**10,18,25,81,220**	**9,47,18,62,660**

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

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

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2017

PARTICULARS	Note No.	Year Ended 31.3.2017 ₹	Year Ended 31.3.2016 ₹
1. Revenue from operations	21	9,29,33,93,390	8,25,74,06,006
2. Other Income	22	1,44,99,427	1,20,63,938
3. Total revenue (1+2)		**9,30,78,92,817**	**8,26,94,69,944**
4. Expenses			
a) Cost of materials consumed	23	6,07,47,47,572	5,04,40,10,371
b) Purchases of stock-in-trade	24	44,95,89,046	52,95,03,443
c) Changes in inventories of Finished Goods, Work-in-Progress and stock-in-trade	25	(80,22,836)	(5,76,17,024)
d) Employee benefits expenses	26	69,37,08,174	57,99,36,827
e) Finance costs	27	45,48,10,964	37,74,96,375
f) Depreciation and amortisation expenses		31,70,76,508	30,11,92,911
g) Other expenses	28	1,07,67,62,145	1,20,31,86,691
Total expenses		**9,05,86,71,572**	**7,97,77,09,595**
5. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		24,92,21,245	29,17,60,349
6. Exceptional items	29	-	-
7. Profit / (Loss) before extraordinary items and tax (5 + 6)		24,92,21,245	29,17,60,349
8. Extraordinary items			
9. Profit / (Loss) before tax (7 + 8)		24,92,21,245	29,17,60,349
10. Tax expense:			
a) Current tax expense for current year		5,21,12,783	5,54,78,393
b) (Less): MAT credit (where applicable)		5,21,12,783	5,54,78,393
c) Deferred tax		22,33,739	9,63,80,439
d) MAT Credit lapsed written off		4,52,05,557	-
11. Profit / (Loss) for the year (9 +10)		**20,17,81,949**	**19,53,79,910**
Earnings per share (of ₹10/- each):			
a) Basic			
i) Continuing operations		12.81	12.40
ii) Total operations		12.81	12.40
b) Diluted			
i) Continuing operations		12.81	12.40
ii) Total operations		12.81	12.40
Earnings per share (excluding extraordinary items) (of ₹10/- each):			
a) Basic			
i) Continuing operations		12.81	12.40
ii) Total operations		12.81	12.40
b) Diluted			
i) Continuing operations		12.81	12.40
ii) Total operations		12.81	12.40
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

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

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2017

PARTICULARS	31.3.2017 ₹	31.3.2016 ₹
I CASH FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary items	24,92,21,245	29,17,60,348
Adjustments for:		
Depreciation	31,70,76,508	30,11,92,911
Interest income	(88,14,871)	(1,03,80,806)
Dividend income	(119)	(111)
Finance costs	45,48,10,964	37,74,96,375
Foreign Exchange Fluctuation	-	51,24,051
Rental Income from Operating Leases	(2,43,014)	(2,10,060)
Profit / Loss on sale of asset	15,03,702	(83,034)
Profit / Loss on sale of investments	(71,88,140)	-
Liabilities / Provisions no longer required written back	(12,41,080)	(1,19,002)
	75,59,03,950	**67,30,20,325**
Operating profit before working capital changes	1,00,51,25,195	96,47,80,673
Debtors	(2,39,29,852)	(17,31,69,964)
Inventories	(14,47,88,654)	(45,44,36,202)
Other Current Assets & Non-current Assets	2,51,70,228	68,80,049
Current Liabilities	(52,24,84,521)	30,77,16,120
	(66,60,32,799)	**(31,30,09,997)**
Cash generation from operations	33,90,92,396	65,17,70,676
Add: income taxes (Paid)/refund	(5,66,14,738)	(6,58,28,986)
Net cash from operations	**28,24,77,658**	**58,59,41,690**
II CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(78,64,47,906)	(60,97,03,480)
Proceeds from sale of assets	-	1,01,667
Interest income	88,14,871	1,03,80,806
Dividend income	119	111
Rental Income from Operation Lease	2,43,014	2,10,060
Purchase of Investments	-	(10,97,109)
Proceeds from sale of investment	2,87,96,850	-
	(74,85,93,053)	**(60,01,07,946)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2017

PARTICULARS	31.3.2017 ₹	31.3.2016 ₹
III CASH FROM FINANCING ACTIVITIES		
Capital Subsidy	(4,10,383)	(2,33,784)
Increase/decrease in Short-Term borrowing	77,11,33,950	65,75,77,876
Decrease in Long-Term Borrowing	29,36,64,341	(29,10,48,039)
Interest paid	(45,83,17,103)	(36,63,48,122)
Dividend Paid	(3,03,38,348)	(2,84,42,202)
	57,57,32,456	**(2,84,94,271)**
Net (decrease)/increase in cash and cash equivalents	10,96,17,062	(4,26,60,526)
Opening cash and bank balances	13,16,05,887	17,42,66,413
Closing cash and bank balances	24,12,22,949	13,16,05,887
Net (decrease)/increase in cash and cash equivalents	10,96,17,062	(4,26,60,526)

As per our report of even date attached
For **P N RAGHAVENDRA RAO & Co**
Chartered Accountants

P R VITTEL
Partner
Membership No. 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

1. Notes to Consolidated financial statements for the year ended 31st March 2017

NOTE - 1

1) Basis of Consolidation

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

i. Investments in Subsidiary where the company holds more than 50% of equity, are accounted for as per Accounting standard 21 –Consolidated Financial Statements.

ii. Investments in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting standard 27 – 'Financial Reporting of interests in Joint Ventures"

iii. The Consolidated Financial Statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

iv. The subsidiaries considered in the Company's Financial Statements is as follows:

Name of the Subsidiary	Country of Incorporation	% of voting power held on 31.3.2017
Accel Apparels Private Ltd	India	100%
Abirami Amman Mills Private Ltd	India	100%

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

Name of the Joint Venture	Country of Incorporation	% of voting power held on 31.3.2017
Young Brand Apparel Private Ltd	India	33.33%

II) Significant accounting policies

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

ii. Investments: Investments are carried individually at cost and are treated as long-term investments. The diminution in the market value of investment is recognized when diminution is considered permanent.

iii. Valuation of Inventory.

a) Raw materials and stores & spares: At cost determined on First in First out basis or Net Realizable Value, whichever is lower.

b) Finished goods and by products: At cost or net realizable value, whichever is lower. The cost has been measured on the weighted average cost basis and includes cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

c) Stock in Process: At estimated weighted average cost basis.

iv. The Fixed Assets are carried at historical cost less accumulated depreciation. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities. The fixed assets shown in the books are not revalued.

v. Depreciation on tangible assets other than windmills is provided on the straight line basis over the useful life of assets in accordance with Schedule II of Companies Act, 2013. Depreciation on windmill units has been provided on the basis of written down value method over the useful life of assets in accordance with Schedule II of Companies Act, 2013. Depreciation for assets purchased /sold during a period is proportionately charged. Depreciation on asset additions costing to ₹5,000/- or less is provided at the rate of 100% in the year of capitalization.

vi. The Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the Balance Sheet date are reported at the closing rate or at the rate at which it is likely to be realized from or required to be disbursed. Exchange differences, if any, arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

vii. The Company has opted for Life Insurance Corporation Employees Group Gratuity Scheme to cover its gratuity liability. Contribution paid/payable by the company to LIC of India is charged to revenue on the basis of actuarial valuation towards demand certified by a Certified Actuary.

Provident fund/pension fund are Defined Contribution Schemes and contributions are charged to Profit and Loss Account of the year in which the contribution to the respective funds are due.

Short term employee benefits including compensated absences are provided for based on the expected obligation on an undiscounted basis as per Accounting Standard 15 .

viii. Borrowing costs attributable to the acquisition, construction and installation of qualifying capital assets are capitalized till the period before they are put into use.

ix. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the profit and loss account, in the year in which as assets is identified as impaired, An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

x. Current tax is determined at the current rates of income tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961.

xi. Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the rates and tax laws that prevail as at the balance sheet date. The deferred tax are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

xii. Government grants have been recognized based on the reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grants relatable to borrowing cost have been reduced from the borrowing cost thereby reducing the cost of the asset. Government grants relatable to periods after the acquisition, construction and installation of qualifying assets are in the nature of revenue grants and have been recognized on a systematic basis in the profit and loss account.

Export benefits are accounted for in the year of exports based on the eligibility and there is no uncertainty in receiving the same.

xiii. Revenues/incomes and cost/ expenditure are generally accounted on accrual basis, as they are earned or incurred. Sale of goods is recoginzed on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

xiv. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential shares.

xv. The Company has operated only one business segment which is textile segment and hence segment report is not furnished.

xvi. Provisions, Contingent liabilities and Contingent Assets: Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are shown by way of notes attached to and forming part of the Balance Sheet. Contingent Assets are neither recognized nor disclosed in the financial statements

xvii. Assets taken on lease by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

xviii. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The lease rentals paid under such agreements are accounted in the profit and loss account.

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
2. Share Capital		
a. AUTHORISED		
1,60,00,000 (PY 1,60,00,000) Equity Shares of ₹10/- each	16,00,00,000	16,00,00,000
50,000 (PY 50,000) Cumulative Preference Shares of ₹100/- each	50,00,000	50,00,000
Total	**16,50,00,000**	**16,50,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID UP 1,57,54,269 (PY 1,57,54,269) Equity Shares of ₹10/- each	15,75,42,690	15,75,42,690
Total	**15,75,42,690**	**15,75,42,690**

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

Name of the Share holder	As at 31.3.2017		As at 31.3.2016	
	No.of shares	Amount in ₹.	No.of shares	Amount in ₹.
Equity Shares				
At the beginning of the period	15,754,269	157,542,690	15,754,269	157,542,690
At the end of the period	15,754,269	157,542,690	15,754,269	157,542,690

Terms/rights attached to the Equity shares

The company has issued only one class of equity shares having a par value of ₹10 per equity share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

c. Details of shareholders holding more than 5% shares in the company.

Name of the Share holder	As at 31.3.2017		As at 31.3.2016	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
Murugan Enterprise P Ltd	78,03,733	49.53	78,03,733	49.53
Gagandeep Credit Capital P Ltd	9,87,475	6.27	9,87,475	6.27

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
3. Reserves and Surplus		
A. General reserve		
Opening balance	1,52,95,22,091	1,42,95,22,091
Add: Transferred from surplus in Statement of Profit and Loss	10,00,00,000	10,00,00,000
Closing balance	1,62,95,22,091	1,52,95,22,091
B. Share Premium Account	79,30,76,230	79,30,76,230
C. Surplus in Profit and Loss Account		
Opening balance	11,66,88,105	5,17,98,669
Add: Profit / (Loss) for the year	20,17,81,949	19,53,79,909
Less: Dividends proposed to be distributed to equity shareholders (31.3.2016 - ₹1.60 (one rupee sixty paise) per share)	-	2,52,06,830
Tax on dividend	-	51,31,518
Transferred to: General reserve	10,00,00,000	10,00,00,000
Closing balance	21,84,70,054	11,68,40,230
D. TUF Investment Subsidy Reserve		
Balance as per last balance sheet	14,02,707	16,36,491
Less: Deffered Income Recognised during the year	4,10,383	2,33,784
Closing balance	9,92,324	1,402,707
Total	**2,64,20,60,699**	**2,44,08,41,258**

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
4. Deferred Income pending Apportionment		
Capital Subsidy on setting up of undertaking	84,05,334	89,30,667
Less: Transferred to Profit & Loss A/c proportionate to current year depreciation	5,25,333	5,25,333
Balance to be apportioned	**78,80,001**	**84,05,334**
5. Long Term Borrowings		
a) Term loans from Banks - Secured	1,85,50,62,429	1,59,18,08,319
b) Term loans from Others - Secured	25,54,90,406	22,30,64,754
c) Long-term maturities of finance lease obligations - Secured	51,45,824	71,61,246
Total	**2,11,56,98,659**	**1,82,20,34,319**

Name of the Bank and Details of the loan	Securities and other Terms & Conditions
ICICI Bank Ltd - Rupee Term Loan Outstanding as at 31.3.2017 ₹3800.00 Lakhs (31.3.2016 - ₹1600 Lakhs) Current maturity for 31.3.2017 - ₹1362.50 Lakhs (31.3.2016 - ₹800 Lakhs) Repayment: 20 quarterly instalments starting from April 2013 . Rate of Interest : 12.35% p.a.	Security: First charge on entire movable and immovable fixed assets of spinning unit I situated at Vadamadurai Village, Vedasandhur Taluk, Dindigul District and entire movable fixed assets of weaving division situated at Karanampettai, Paruvai Road, Coimbatore 641658. Second charge on the current assets of Spinning Unit I situated at Vadamadurai Village, Vedasandhur Taluk, Dindigul.
Bank of Maharashtra - Rupee Term Loan under Technology Upgradation Fund Scheme - Outstanding as at 31.3.2017 ₹467.30 Lakhs (31.3.2016 - ₹1093.75 Lakhs) Current maturity for 31.3.2017 - ₹467.30 Lakhs (31.3.2016 - ₹625 Lakhs) Rate of Interest : 12.20% p.a.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets extended to the bankers who are extending working capital facilities to the company. Repayment :32 Quarterly instalments starting from March 2010.

Oriental Bank of Commerce - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.3.2017 ₹933.84 Lakhs (31.3.2016 - ₹2808.84 Lakhs) Current maturity for 31.3.2017 - ₹933.84 Lakhs (31.3.2016 - ₹1875 Lakhs) Rate of Interest : 12.20% p.a.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets extended to the bankers who are extending working capital facilities to the company. Repayment :32 Quarterly instalments starting from October 2009.
Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹372.50 Lakhs (31.3.2016 - ₹745.00 Lakhs) Current maturity for 31.3.2017 - ₹372.50 Lakhs (31.3.2016 - ₹372.50 Lakhs) Rate of Interest : 12.15% p.a.	Exclusive First charge by way of Mortgage and hypothecation on windmill unit III assets being financed by the Bank. Repayment :32 Quarterly instalments starting from June 2011.
Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹2032.93 Lakhs (31.3.2016 - ₹2220.93 Lakhs) Current maturity for 31.3.2017 - ₹312 Lakhs (31.3.2016 - ₹188.00 Lakhs) Rate of Interest : 11.65% p.a.	Pari-pasu First charge by way of equitable mortgage over factory land and building at SIPCOT Perundurai and exclusive charge on fixed assets to be purchased out of the loan. Repayment :32 Quarterly instalments starting from Feb' 2014.
Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹8889.00 Lakhs (31.3.2016 - ₹9357.00 Lakhs) Current maturity for 31.3.2017 - ₹468.00 Lakhs (31.3.2016 - ₹468.00 Lakhs) Rate of Interest : 11.65% p.a.	Pari - passu First charge by way of Equitable Mortgage over factory land and building constructed and exclusive charge on fixed assets purchased out of the loan. Repayment :32 Quarterly instalments starting from June 2016.

Indian Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹4535.14 Lakhs (31.3.2016 - Nil) Current maturity for 31.3.2017 - Nil (31.3.2016 - Nil) Rate of Interest : 11.20% p.a.	Pari - passu First charge by way of Equitable Mortgage over factory land and building of Spinning Division, Knitting Division and Garment Division and exclusive charge on fixed assets purchased out of the loan. Repayment : 32 Quarterly instalments starting from June 2018.
Indian Overseas Bank - Rupee Term Loan under Technology Upgradation Fund Scheme Outstanding as at 31.3.2017 ₹587.23 Lakhs (31.3.2016 - ₹1837.23 Lakhs) Current maturity for 31.3.2017 - ₹587.23 Lakhs (31.3.2016 - ₹1250 Lakhs) Rate of Interest : 12.45% p.a.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by the bank for the expansion project ranking pari-passu with other banks. Second charge on the above fixed assets extended to the bankers who are extending working capital facilities to the company. Repayment :32 Quarterly instalments starting from October 2009.
Indian Overseas Bank - Rupee Term Loan Outstanding as at 31.3.2017 ₹1271.00 Lakhs (31.3.2016 - ₹1691.00 Lakhs) Current maturity for 31.3.2017 - ₹420 Lakhs (31.3.2016 - ₹420.00 Lakhs) Rate of Interest : 12.45% p.a.	Exclusive First charge on windmil unit IV & V assets situated at Chinnapudur village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur district, Tamilnadu. Repayment :32 Quarterly instalments starting from June 2012.
SIPCOT Soft Loan Outstanding as at 31.3.2017 - ₹2554.90 ₹Lakhs (31.3.2016 - ₹2230.65 Lakhs) Current maturity for 31.3.2017 - Nil (31.3.2016 - Nil) Rate of Interest : 0.10% p.a.	First charge by way of Equitable Mortgage over factory land and building and hypothecation of other movable assets financed by SIPCOT for the expansion project ranking pari - passu with other banks and Fixed Assets of the Expansion Scheme of Spinning Unit located in Velvarkottai Village, Vadamadurai Village, Vadamadurai, Dindigul Dt., Weaving and Garment Unit at Karanampettai, Coimbatore Dt. and Technical Textile Unit at Kunnathur Village Annur.

Oriental Bank of Commerce Term Loan amounting to ₹190.03 Lakhs (₹340.07 Lakhs) from Oriental Bank of Commerce is secured by First Charge on the Fixed Assets of the Company (Apparel Unit) including equitable mortgage over factory land and building and Hypothecation of other fixed/movable assets acquired out of loan.	After the initial holding period of 36 months, repayable in 28 quaterly instalments commencing from June, 2010. Last installment due in Dec, 2017. Rate of Interest : 13.50% p.a.
Term loan amounting to ₹411.78 Lakhs (₹172.57) from Oriental Bank of Commerce is secured by first charge on the Fixed Assests of the Company (Apparel Unit) including equitable mortgage over factory land and building and Hypothecation of other fixed/movable assests acquired out of the loan.	After the initial holiday period of 24 months, repayable in 84 monthly installments commencing from june, 2017. Last installment due in May, 2024. Rate of interest : 13.50% p.a.
Corporate term loan amounting ₹249.99 Lakhs (₹316.67 Lakhs) of from Oriental Bank of Commerce is secured by first charge on the Fixed Assets of the Company (Apparel Unit) including equitable mortgage over factory land and buildings.	After the initial holding period of 12 months, repayable in 60 monthly instalments commencing from January,2016. Last installment due in Dec'2020. Rate of interest : 13.50% p.a.

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
6. Other Long Term Liabilities		
Trade / security deposits received	23,27,557	25,50,815
Total	**23,27,557**	**25,50,815**
7. Long Term Provisions		
a) Provision for employee benefits:		
Provision for Gratuity	33,90,059	36,86,692
Total	**33,90,059**	**36,86,692**
8. Short Term Borrowings		
a) Loans repayable on demand		
From banks - Secured	2,89,41,99,288	2,42,45,68,436
- Unsecured	37,73,57,075	7,58,53,977
Total	**3,27,15,56,363**	**2,50,04,22,413**

Name of the Bank and Details of the loan	Securities and other Terms & Conditions
The Karur Vysya Bank Limited Karur Vysya Bank Ltd - Working Capital Limit ₹1250 Lakhs Outstanding as at 31.3.2017 ₹1052.92 Lakhs (31.3.2016 - ₹631.46 Lakhs)	Security : First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I. Second charge on the Fixed Assets of the Spinning Unit - I. CC Rate of Interest : 11.30% p.a.
Corporation Bank Corporation Bank - Working Capital Limit ₹5250 Lakhs Outstanding as at 31.3.2017 - ₹2254.66 Lakhs (31.3.2016 - ₹2342.91 Lakhs)	Security : First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I and II. Second charge on the Fixed Assets of the Spinning Unit - I and II. CC Rate of Interest : 11.65% p.a.
ICICI Bank Limited ICICI Bank Limited - Foreign Currency - Working Capital Limit ₹11000 Lakhs Outstanding as at 31.3.2017 ₹5996.14 Lakhs (31.3.2016 - ₹5145.83 Lakhs)	Security: First Charge by way of Hypothecation of Raw materials, Semi-finished and Finished goods, Consumable stores and Spares and other movable properties both present and future for Limit upto ₹1500 Lakhs. PCFC Rate of Interest : 3.50% p.a.

Oriental Bank of Commerce Oriental Bank of Commerce - Working Capital Limit ₹6000 Lakhs (Inter changable of Cash credit/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2017 - ₹4240.83 Lakhs (31.3.2016 - ₹4915.42 Lakhs)	Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. First Pari-passu Charge on Current Assets of Garment and Processing Division CC Rate of Interest : 12.20% p.a. PCFC Rate of Interest : 3.85% p.a.
Indian Overseas Bank Indian Overseas Bank - Working Capital Limit ₹10000 Lakhs (Interchangable of Cash credit/WCFC/Rupee Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2017 - ₹7185.76 Lakhs (31.3.2016 - ₹7487.26 Lakhs)	Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. Pari-pasu second charge on Fixed Assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. CC Rate of Interest : 12.15% p.a. PCFC Rate of Interest : 3.85% p.a.

Bank of Maharashtra Bank of Maharashtra - Working Capital Limit ₹1500 Lakhs Outstanding as at 31.3.2017 ₹1113.85 Lakhs (31.3.2016 - ₹257.61 Lakhs)	Security: Pari-pasu first charge on current assets of the company belonging to expansion project along with other banks who have extended Working Capital Finance for expansion project under multiple banking arrangements. CC Rate of Interest : 12.20% p.a.
Allahabad Bank Allahabad Bank - Working Capital Limit (Inter-changeable of Cash credit/Packing Credit/Packing Credit in Foreign Currency Loan) ₹4500 Lakhs. Outstanding as at 31.3.2017 ₹4299.32 Lakhs (31.3.2016 - ₹1341.72 Lakhs)	Security: Pari-pasu first charge on current assets of the Company's Spinning Unit- II along along with other banks who have extended Working Capital Finance under multiple banking arrangements. Exclusive first charge on the Current Assets of the Company's Garment Division Pari- Passu second charge on Fixed Assets of the Company's Spinning Unit -II along with other Working Capital lenders of Spinning Unit - II. Pari-passu second charge on Fixed Assets of the Company's Garment Division. CC Rate of Interest : 12.20% p.a. PCFC Rate of Interest : 3.86% p.a.
Bank of Bahrain and Kuwait B.S.C. Bank of Bahrain and Kuwait B.S.C. - Working Capital Limit ₹2000 Lakhs Outstanding as at 31.3.2017 ₹Nil (31.3.2016 - ₹747.90 Lakhs)	Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Spinning Unit - I. Second charge on the Fixed Assets of the Spinning Unit - I. CC Rate of Interest : 10.50% p.a. PCFC Rate of Interest : 2.40% p.a.

Indian Bank Indian Bank - Working Capital Limit ₹3000 Lakhs Outstanding as at 31.3.2017 ₹1618.29 Lakhs (31.3.2016 - Nil)	Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods of the Garment Division. Second charge on the Fixed Assets of the Garment Division. Rate of Interest : 10.65% p.a.
Oriental Bank of Commerce Oriental Bank of Commerce - Working Capital Limit (Inter-changeable of Cash credit/ Packing Credit/Packing Credit in Foreign Currency Loan) Outstanding as at 31.3.2017 ₹1180.21 Lakhs (31.3.2016 - ₹1300.53 Lakhs)	First charge of stock of raw materials, stock-in process, finished goods, stores and spares and receivables. Second charge on Assets secured for the Term loans. CC Rate of Interest : 12.20% p.a. PCFC Rate of Interest : 3.85% p.a.
Kotak Mahindra Bank Kotak Mahindra Bank - Working Capital Limit ₹3000 Lakhs Outstanding as at 31.3.2017 ₹1273.57 Lakhs (31.3.2016 - ₹758.54)	Security: Unsecured Rate of Interest : Short term loan : 10% p.a. PCFC Rate of Interest : 2.15% p.a.
HDFC Bank HDFC Bank - Working Capital Limit ₹2500 Lakhs Outstanding as at 31.3.2017 ₹2500 Lakhs (31.3.2016 - Nil)	Security: Unsecured Rate of Interest : 8.50% p.a.

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
9. Trade Payables		
Acceptances	44,60,54,600	89,66,50,037
Total	**44,60,54,600**	**89,66,50,037**
10. Other Current Liabilities		
a) Current maturities of Long-Term debt	51,90,10,276	66,26,36,030
b) Current maturities of finance lease obligations	20,18,001	18,44,933
c) Interest accrued and due on borrowing	1,89,84,094	2,24,90,233
d) Unclaimed dividend	2,21,251	-
e) Salaries & Wages	4,56,15,310	2,56,97,229
f) Liability for Expenses	76,53,069	43,77,479
g) Due to Related Party	70,99,696	-
h) Other payables		
i) Statutory remittances (Contributions to PF and ESIC With holding Taxes Excise Duty VAT Service Tax etc.)	1,58,18,306	1,24,06,729
ii) Payables on purchase of fixed assets	1,18,26,296	81,73,479
iii) Contractually reimbursable expenses	5,86,717	2,38,838
iv) Trade / security deposits received	3,333	3,333
v) Advances from customers	8,68,30,705	6,10,01,949
Total	**71,56,67,054**	**79,88,70,232**
11. Short-Term Provisions		
a) Provision for employee benefits:		
i) Provision for bonus	1,60,75,429	1,53,34,944
ii) Provision for compensated absences	30,70,620	15,02,379
iii) Provision for gratuity (net) (Refer Note 31)	11,77,822	5,29,558
b) Provision - Others:		
i) Provision for tax	1,18,97,563	72,05,276
ii) Provision for proposed equity dividend	-	2,52,06,830
iii) Provision for tax on proposed dividend	-	51,31,518
Total	**3,22,21,434**	**5,49,10,505**

NOTE NO. : 12.
FIXED ASSETS

(In ₹)

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.4.2016	Addition	Deletion	As at 31.3.2017	Upto 31.3.2016	Depreciation charge for the year	On Disposals	As at 31.3.2017	As at 31.3.2017	As at 31.3.2016
	Tangible Assets										
1.	Land & Site Development	17,57,75,446	42,98,255	-	18,00,73,701	4,80,276	2,40,138	-	7,20,414	17,93,53,287	17,52,95,170
2.	Building										
	a. Owned	1,48,41,09,617	7,70,77,593	-	1,56,11,87,210	35,48,96,256	4,35,19,102	-	39,84,15,358	1,16,27,71,852	1,12,92,13,361
	b. Leasehold	4,70,95,642	9,37,53,700	-	14,08,49,342	58,20,073	27,01,134	-	85,21,207	13,23,28,135	4,12,75,567
3.	Plant & Machinery	6,56,85,38,369	72,52,90,617	5,41,84,994	7,23,96,43,991	2,82,44,30,547	25,18,67,014	2,04,53,217	3,05,58,44,343	4,18,37,99,648	3,74,41,07,822
4.	Office Equipment	4,67,66,000	2,09,06,717	-	6,76,72,717	3,07,21,282	1,21,05,872	-	4,28,27,154	2,48,45,562	1,60,44,718
5.	Furniture & Fittings	1,86,10,874	33,43,348	54,960	2,18,99,261	90,32,126	22,64,396	7,832	1,12,88,690	1,06,10,571	95,78,748
6.	Vehicles	2,98,92,907	8,78,445	5,44,761	3,02,26,591	1,73,79,465	41,54,388	5,44,762	2,09,89,090	92,37,500	1,25,13,442
7.	Tools & Implements	3,75,285	-	-	3,75,285	1,86,701	4,911	-	1,91,612	1,83,673	1,88,584
	(A)	**8,37,11,64,140**	**92,55,48,674**	**5,47,84,715**	**9,24,19,28,099**	**3,24,29,46,725**	**31,68,56,955**	**2,10,05,811**	**3,53,87,97,870**	**5,70,31,30,228**	**5,12,82,17,414**
	Intangible Assets										
1.	Computer Software	69,38,757	5,98,750	-	75,37,507	65,20,562	2,19,552	-	67,40,114	7,97,393	4,18,195
2.	Goodwill on consolidation	1,29,02,470	-	-	1,29,02,470	-	-	-	-	1,29,02,470	1,29,02,470
	(B)	**1,98,41,227**	**5,98,750**	**-**	**2,04,39,977**	**65,20,562**	**2,19,552**	**-**	**67,40,114**	**1,36,99,863**	**1,33,20,665**
	Capital Work In Progress										
1.	Building	5,19,56,983	-	5,19,56,983	-	-	-	-	-	-	5,19,56,983
2.	Plant & Machinery	14,52,36,991	7,19,45,470	12,39,38,135	9,32,44,326	-	-	-	-	9,32,44,326	14,52,36,991
3.	Product Development Expenses	40,00,000	-	40,00,000	-	-	-	-	-	-	40,00,000
	(C)	**20,11,93,974**	**7,19,45,470**	**17,98,95,118**	**9,32,44,326**	**-**	**-**	**-**	**-**	**9,32,44,326**	**20,11,93,974**
	Total for the year (A+B+C)	**8,59,21,99,341**	**99,80,92,893**	**23,46,79,833**	**9,35,56,12,401**	**3,24,94,67,287**	**31,70,76,508**	**2,10,05,811**	**3,54,55,37,984**	**5,81,00,74,417**	**5,34,27,32,054**
	Previous Year	**7,98,33,93,847**	**1,10,75,63,475**	**49,87,57,981**	**8,59,21,99,341**	**2,94,86,28,398**	**30,11,92,911**	**3,54,022**	**3,24,94,67,287**	**5,34,27,32,054**	**5,02,18,62,979**

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
13. Non Current Investments		
I. NON-TRADE QUOTED - AT COST - FULLY PAID UP		
a. INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES:		
i) 250 (P.Y : 250) Equity Shares of ₹10 /- each in Bannari Amman Sugars Ltd	31,434	31,434
ii) 17 (P.Y : 17) Equity Shares of ₹10/- each in Moil Ltd	6,056	6,056
Total	**37,490**	**37,490**
II. NON-TRADE UN QUOTED - AT COST		
A. IN GOVERNMENT SECURITIES :		
Kisan Vikas Patra	3,000	3,000
B. IN EQUITY / PREFERENCE INSTRUMENTS OF OTHER ENTITIES:		
i) 130000 (P.Y : 302336) Preference shares of ₹100/- each in Anamallais Agencies P Ltd	1,39,09,097	2,39,54,557
ii) 6443 (P.Y : 6443) Preference shares of ₹100/- each in Shiva Automobiles P Ltd	5,10,479	5,10,479
iii) 1123 (P.Y : 1123) Preference shares of ₹100/- each in Kandiamman Properties & Holdings P Ltd	88,975	88,975
iv) 34137 (P.Y : 34137) Preference shares of ₹100/- each in Kandiamman Realtors & Developers P Ltd	27,04,675	27,04,675
v) Nil (P.Y : 389200) Equity shares of ₹10/- each in Cauvery Power Generation Corporation Ltd	-	1,12,00,000
vi) 15000 (P.Y : 15000) Equity shares of ₹10/- each in OPG Metal Power P Ltd	1,50,000	1,50,000
vii) Nil (P.Y : 5000) Equity shares of ₹10/- each in Accel Apparels P Ltd	-	50,000
viii) 77800 (P.Y : 129300) Equity shares of ₹10/- each in OPG Power Generation P Ltd	8,55,800	14,22,300
ix) 750 (P.Y : Nil) Equity shares of ₹10/- each in ARS Energy P Ltd	2,06,250	-
x) 100 (P.Y : Nil) Equity shares of ₹10/- each in TCP Ltd	47,000	-
Total	**1,84,75,276**	**4,00,83,986**
Aggregate cost of Quoted Investments	37,490	37,490
Aggregate market value of Quoted Investments	4,99,571	3,59,138
Aggregate cost of unquoted Investments	1,84,75,276	4,00,83,986
Total (Unquoted & Quoted)	**1,85,12,766**	**4,01,21,476**

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
14. Long-Term Loans and Advances		
(Unsecured considered good)		
a) Capital advances	6,80,38,442	4,69,11,392
b) Security deposits	8,80,59,010	5,96,03,434
c) Advance income tax (net of provisions)	1,06,26,553	60,90,584
d) MAT credit entitlement	48,94,54,614	48,25,81,402
e) Other loans and advances	1,68,72,600	4,76,18,403
Total	**67,30,51,219**	**64,28,05,215**
15. Other Non Current Assets		
a) Others		
Receivables on sale of fixed assets	1,85,00,000	2,34,91,545
Total	**1,85,00,000**	**2,34,91,545**
16. Inventories		
a) Raw materials	1,49,06,02,277	1,40,32,06,695
b) Work-in-progress	11,38,36,143	14,64,92,268
c) Finished goods (other than those acquired for trading)	53,86,01,265	45,91,05,810
d) Stock-in-trade (acquired for trading)	65,96,747	37,39,932
e) Stores and spares	5,37,20,056	4,60,23,129
Total	**2,20,33,56,488**	**2,05,85,67,834**
17. Trade Receivables		
(Unsecured considered good)		
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	7,59,64,438	1,18,39,183
b) Other Trade receivables	91,96,40,128	95,98,35,531
Total	**99,56,04,566**	**97,16,74,714**

PARTICULARS	As at 31.3.2017 ₹	As at 31.3.2016 ₹
18. Cash and Cash Equivalents		
i) Cash and Cash Equivalents		
a) Cash on hand	17,26,298	51,91,232
b) Cheques drafts on hand	48,50,000	2,30,00,000
ii) Balances with banks		
a) In current accounts	15,46,45,364	3,46,20,272
b) In deposit accounts	3,80,09,566	2,91,36,011
iii) In earmarked accounts		
a) Unclaimed dividend accounts	14,07,316	-
b) Balances held as margin money or security against borrowing guarantees and other commitments	3,99,08,270	3,90,00,829
iv) Others (Stamps)	6,76,135	6,57,543
Total	**24,12,22,949**	**13,16,05,887**
19. Short-Term Loans and Advances		
(Unsecured considered good)		
a) Security deposits	43,330	1,26,343
b) Loans and advances to employees	27,18,993	30,56,516
c) Prepaid expenses	6,22,89,859	4,24,54,905
d) Balances with the Government Authorities		
i) CENVAT credit receivable	3,84,592	63,76,724
ii) VAT credit receivable	50,86,126	59,43,250
iii) Excise Duty Rebate receivable	53,62,181	19,73,040
iv) Duty Drawback receivable	2,66,99,599	2,73,51,478
e) Others (Advance for Purchase)	5,54,74,628	5,84,42,813
f) Advance income tax	71,63,361	-
Total	**16,52,22,669**	**14,57,25,069**
20. Other Current Assets		
a) Unbilled revenue	52,96,053	40,17,074
b) Interest accrued on deposits	20,31,261	-
c) Others:		
i) TUF Subsidy Receivable	2,62,20,099	11,11,21,794
ii) Export Incentive Receivable	2,34,88,732	-
Total	**5,70,36,145**	**11,51,38,868**

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
21. Revenue from operations		
Sale of products (Refer Note (i) below)	8,91,07,39,812	7,92,91,58,869
Sale of services (Refer Note (ii) below)	16,80,39,685	14,79,45,390
Other operating revenues (Refer Note (iii) below)	21,46,13,893	18,03,01,747
Total	**9,29,33,93,390**	**8,25,74,06,006**
i) Sale of products comprises:		
Manufactured goods		
Yarn	3,44,24,10,001	3,58,21,36,778
Fabric	3,80,61,30,522	2,70,23,93,265
Waste Cotton	37,47,39,136	29,09,26,362
Others	-	8,52,207
Garments	78,13,86,140	85,48,83,930
Total - Sale of manufactured goods	**8,40,46,65,799**	**7,43,11,92,541**
Traded goods		
Yarn	46,08,12,380	49,78,43,550
Cotton	4,52,61,633	1,22,778
Total - Sale of traded goods	**50,60,74,013**	**49,79,66,328**
Total - Sale of products (Manufactured and Traded)	**8,91,07,39,812**	**7,92,91,58,869**
ii) Sale of services comprises:		
Sizing, CMT, Knitting and Processing Charges	15,60,39,685	13,59,45,390
Rental Income from operating lease	1,20,00,000	1,20,00,000
Total - Sale of services	**16,80,39,685**	**14,79,45,390**
iii) Other operating revenues comprises:		
Sale of scrap	2,08,54,623	1,69,56,637
Duty drawback and other export incentives	19,32,33,937	16,27,86,843
SIPCOT Subsidy	5,25,333	5,25,333
Others - Sale of Certified Emission Reduction	-	32,934
Total - Other operating revenues	**21,46,13,893**	**18,03,01,747**

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
22. Other income		
Interest income (Refer Note (i) below)	88,14,871	1,03,80,806
Dividend income:		
others	118	111
Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	7,50,764
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	56,84,438	9,32,258
Total	**1,44,99,427**	**1,20,63,938**
i) Interest income comprises:		
Interest from banks on:		
Deposits	25,74,324	46,52,313
Interest on income tax refund	179	23,27,670
Interest on EB Deposit	62,40,368	34,00,823
Total - Interest income	**88,14,871**	**1,03,80,806**
ii) Other non-operating income comprises		
a) Profit on Sale on assets	23,69,897	-
b) Miscellaneous income	33,14,541	9,32,258
Total - Other non-operating income	**56,84,438**	**9,32,258**
23. Cost of materials consumed		
Opening stock		
Cotton	1,16,19,81,738	84,29,30,044
Chemicals	72,70,248	85,70,013
Fabric	5,52,02,002	4,48,89,324
Yarn	15,22,61,718	10,91,76,313
Trims	2,64,90,990	1,69,78,890

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
Add: Purchases		
Cotton	4,10,03,45,174	3,84,42,80,740
Chemicals	9,92,98,390	8,21,91,712
Fabric	43,89,65,408	33,15,04,275
Yarn	1,34,67,78,438	95,01,99,508
Trims	17,67,55,744	21,64,96,248
Less: Closing stock		
Cotton	1,03,96,42,621	1,16,19,81,738
Chemicals	88,02,490	72,70,248
Fabric	11,04,22,457	5,52,02,002
Yarn	28,71,00,735	15,22,61,717
Trims	4,46,33,974	2,64,90,990
Cost of material consumed	**6,07,47,47,572**	**5,04,40,10,371**
Material consumed comprises:		
Raw material - Cotton	4,22,26,84,291	3,52,52,29,046
Raw material - Chemicals	9,77,66,148	8,34,91,477
Raw material - Fabric	38,37,44,952	32,11,91,596
Raw material - Yarn	1,21,19,39,421	90,71,14,104
Raw material - Trims	15,86,12,760	20,69,84,148
Total	**6,07,47,47,572**	**5,04,40,10,371**
24. Purchase of traded goods		
Traded good - Fabric	5,600	-
Traded good - Yarn	44,95,83,446	52,95,03,443
Total	**44,95,89,046**	**52,95,03,443**

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
25. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	49,84,03,741	44,44,47,683
Work-in-progress	11,38,36,142	13,24,89,094
Stock-in-trade	51,20,963	37,39,932
Total	**61,73,60,846**	**58,06,76,709**
Inventories at the beginning of the year:		
Finished goods	45,91,05,810	43,89,52,420
Work-in-progress	14,64,92,268	8,02,90,222
Stock-in-trade	37,39,932	38,17,044
Total	**60,93,38,010**	**52,30,59,685**
Net (increase) / decrease	(80,22,836)	(5,76,17,024)
26. Employee benefits expenses		
Salaries and wages	55,22,64,119	45,08,36,955
Contributions to provident and other funds	4,36,97,979	4,16,55,150
Staff welfare expenses	9,77,46,076	8,74,44,723
Total	**69,37,08,174**	**57,99,36,827**
27. Finance costs		
a) Interest expense on:		
I) Borrowings	41,83,49,186	33,98,57,947
b) Other borrowing costs	3,64,61,778	2,85,75,168
c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	90,63,260
Total	**45,48,10,964**	**37,74,96,375**

PARTICULARS	Year ended 31.3.2017 ₹	Year ended 31.3.2016 ₹
28. Other expenses		
Consumption of stores and spare parts	1,02,54,514	1,25,36,346
Manufacturing Expenses	7,14,64,837	5,84,37,793
Consumption of packing materials	8,89,85,339	5,64,57,085
Power and fuel	31,03,05,843	52,10,99,739
Water	37,31,635	30,29,976
Rent including lease rentals	1,27,78,657	1,21,58,826
Repairs and maintenance - Buildings	99,93,079	1,00,29,612
Repairs and maintenance - Machinery	14,05,15,154	15,24,84,564
Repairs and maintenance - Others	1,75,41,995	1,63,45,780
Insurance	2,81,32,331	2,34,66,797
Rates and taxes	4,18,17,320	4,84,15,204
Communication	89,46,373	84,28,248
Travelling and conveyance	2,38,62,992	2,09,67,100
Printing and stationery	61,02,455	59,30,913
Freight and forwarding	13,77,05,562	11,29,28,449
Sales commission	8,52,15,348	7,42,82,374
Sales discount	4,51,05,994	3,69,81,908
Quality Claim	4,88,146	1,54,518
Hank Yarn Obligation	14,87,572	26,21,154
Business promotion	11,82,876	63,74,989
Donations and contributions	4,24,669	4,97,568
Legal and professional	1,39,23,088	97,82,869
Payments to auditors	28,28,483	30,95,405
Corporate Social Responsibility	30,61,000	3,16,389
Bad trade and other receivables loans and advances written off	31,16,739	-
Bank Charges	15,05,001	8,03,401
Miscellaneous expenses	62,85,143	55,59,686
Total	**1,07,67,62,145**	**1,20,31,86,691**

29. Contingent Liability:

a. The amount of duty concession availed against the pending obligation (For import of capital goods under concessional customs duty linked to fulfillment of export obligations) for the year ended 31.3.2017 is ₹1646.62 Lakhs. (31.3.2016 - ₹1762.05 Lakhs).

b. The Sales Tax Department has demanded the Central Sales Tax amounting to ₹134.15 Lakhs on account of exempted sales made by the Company during the financial year 2008-09 and 2009-10. The company has preferred a writ petition before the Hon'ble High Court of Madras on the ground that the order is barred by limitation and obtained an interim stay for payment of the impugned tax.

c. The Income Tax Department has demanded ₹44.12 Lakhs on account of income tax assessment for the financial year 2009 – 10, 2010 – 11 and 2012 – 13. The Company has appealed the matter before Commissioner of Income Tax (Appeals), Coimbatore.

d. The Central Excise Department has demanded the excise duty amounting to ₹69.61 Lakhs on account of rebate claim on export of cotton yarn for the period from Dec'2008 to July'2009. The Company has appealed the matter with CESTAT, Chennai and obtained an interim stay for payment of duty.

e. The Central Excise Department has demanded the excise duty amounting to ₹72.62 Lakhs for erroneous refund stating that rebate claims are not eligible for capital goods used in export goods for the period from May'2016 – December'2016. The company has filed Memorandum of Cross Objection with Commissioner (Appeals) Madurai.

f. The TANGEDCO has demanded charges and tax amounting to ₹772.94 Lakhs for the period from August '2011 to March'2017 as follows:

Type of Charges/Tax	Period	₹in Lakhs	Status
Self Generation Tax on windmill generated units & E-Tax on Maximum Demand Charges.	Aug'11 to Mar'17	315.79	The company through TASMA had filed a writ petition before the Hon'ble High Court of Madras and obtained a interim stay for payment of tax.
Scheduling and System Operation charges	Apr'16 to Feb'17	51.93	The company through TASMA had filed a writ petition before the Hon'ble High Court of Madras and obtained interim stay for payment of charges.

Type of Charges/Tax	Period	₹in Lakhs	Status
Deemed Demand charges on 50% of CPP power	Sept '13 to Feb'17	156.16	The Company has filed a writ petition before the Hon'ble High Court of Madras and obtained interim stay for payment of charges
Peak Hour Penalty Charges	Sept'12 to May'15	80.61	The Company has filed a writ petition before The Madurai Bench of Madras High Court and obtained interim stay for payment of charges
70% of windmill banking charges	Dec'14 to Mar'17	168.45	The Company has filed a writ petition before the Hon'ble High Court of Madras and obtained interim stay for payment of charges.

Contingent Liabilities of Joint Venture

g. Guarantee extended by Oriental Bank of Commerce on behalf of company towards export obligation under EPCG scheme amounting to ₹8.28 lakhs (₹13.15 lakhs)

h. Guarantee extended by Oriental Bank of Commerce on behalf of company to various banks for Buyer Credit amounting to ₹502.06 (₹500.13 lakhs).

i. Infrastructure and amenities charges levied by Department of Town and Country planning, for which the Company has jointly made appeal to Honorable High Court along with industrial units in the location and the Honorable Madras High Court has given a stay order amounting to ₹26.53 lakhs (₹26.53 lakhs)

j. Demand of Service Tax on the amounts paid to Foreign Service Provides is under dispute and an appeal has been filed before the Honorable Madras High Court, Chennai amounting to ₹25.03 lakhs (₹25.03 lakhs).

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

30. Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to ₹308.00 Lakhs (31.3.2016 – ₹5651.21 Lakhs) approximately.

Commitments of Joint venture:

Estimated amount of contracts to be executed on the capital accounts and not provided for amounts to Nil (₹54.14 Lakhs).

31. Defined Benefit Plan of the Company and its Joint Ventures: Gratuity

Particulars	FY 2016-17 (₹)	FY 2015-16 (₹)
A. Change in Defined Benefit Obligation		
Present Value-Opening Balance	2,88,41,556	2,46,86,880
Current Service Cost	33,61,085	29,64,303
Interest Cost	21,55,880	18,34,702
Actuarial Gain/(loss)	53,54,589	12,78,855
Benefits Paid	(20,81,132)	(19,23,184)
Present Value- Closing balance	3,76,31,978	2,88,41,556
B. Net Asset/(Liability) recognized in the Balance Sheet (as at year end)		
Present Value of Obligations	3,76,31,978	2,88,41,556
Fair value of Plan assets	3,54,26,343	3,21,37,967
Net assets/(Liability) recognized	(22,05,635)	32,96,410
C. Expenses recognized in the profit and loss statement		
Current Service Cost	33,61,085	29,64,303
Interest on obligation	21,55,880	18,34,702
Expected return on Plan Assets	(23,98,612)	(23,10,908)
Net Actuarial Gain/(loss)	54,56,575	13,68,158
Total included in Employee Benefit Expense	85,74,928	38,56,257
D. Principal Actuarial Assumptions		
Mortality	Indian Assured Lives Mortality (2006-2008) ultimate	
Discount rate (%)	7.02%	7.55%
Future Salary increase (%)	8.75%	8.75%

32. Related Party Disclosure :

i) Related Parties

Key Management Personnel	Sri S V Arumugam, Managing Director
Relatives of Key Management Personnel	Sri A Senthil, S/o. Sri S V Arumugam Chief Executive Officer,
Subsidiaries	Accel Apparels Private Limited Abirami Amman Mills Private Limited
Joint Venture	Young Brand Apparel Private Limited
Enterprises in which the Key management Personnel or relatives have significant influence.	Shiva Texyarn Limited - ₹ 3,83,98,352/- Anamallais Automobiles (P) Ltd - Nil Shiva Automobiles Private Limited - ₹ 8,59,409/ Vedanayagam Oil Company - (₹ 25,372)/- Sakthi Murugan Transports Limited - Nil Jacob Apparel Limited - Nil Intimark Holdings S.DE.R.L.DE,C.V - Nil

ii) Related Party Transactions :

Nature of Transactions	Enterprises in which key management personnel or relative have significant influence		Outstanding as on 31.3.2017
Purchase of Yarn	₹ 10,81,99,842	(₹ 8,64,59,643)	₹ 3,92,32,389/- (₹ 2,55,06,702/-)
Sale of Yarn	₹ 93,67,756	(₹ 80,02,548)	
Sale of Fabric	₹ 8,51,00,037	(₹ 3,08,63,408)	
Conversion Charges Received	₹ 45,66,683	(₹ 1,32,80,174)	
Conversion Charges Paid	₹ 7,91,296	(₹ Nil)	
Lease Rent Received	₹1,20,00,000	(₹1,20,00,000)	
Lease Rent Paid	₹ 63,59,250	(₹ 63,60,000)	
Vehicle Maintenance Paid	₹ 2,60,860	(₹ 4,74,090)	
Vehicle Maintenance Received	₹ 1,48,126	(₹ Nil)	
Purchase of Fabric	₹ 3,62,50,205	(₹1,22,68,139)	
Processing charges received	₹ 13,00,657	(₹ 2,67,198)	
Processing Charges paid	₹ 11,24,897	(₹ Nil)	
Purchase of Fuel	₹ 2,27,995	(₹ Nil)	
Purchase of Vehicle	Nil	(₹13,33,632)	
Purchase of Greige	Nil	(₹ 22,28,278)	
Rent Paid	₹ 3,10,161	(₹ 2,94,958)	
Remuneration of KMP	₹ 2,43,92,601	(₹ 2,52,39,643)	
Salary to Relative of KMP	₹ 30,00,000	(₹ 30,00,000)	

33. Basic and Diluted Earnings per Share:

Details	FY 2016-17	FY 2015-16
Profit/(Loss) for the year attributable to Equity Share holders (₹)	20,17,59,464	19,53,79,909
Weighted average number of Equity Shares	1,57,54,269	1,57,54,269
Basic & Diluted Earnings per share (₹)	12.81	12.40
Nominal Value of Share (₹)	10.00	10.00

There are no extraordinary items during the current financial year.

34. The net deferred tax liabilities as at 31.3.2017 comprise the following as per the Accounting Standard 22.

Particulars	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)
Deferred Tax Liability on A/c of Depreciation	84,09,11,352	84,94,62,038
Deferred Tax Assets on A/c of Carried forward unabsorbed depreciation.	5,27,29,247	6,35,13,672
Net Deferred Tax Liability	78,81,82,105	78,59,48,366

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

35. Details of Share of Profits from Subsidiaries and Joint Venture.

Particulars	Net Assets		Share in Profit or (Loss)	
	As a % of consolidated Net Assets	Amount (₹)	As a % of consolidated Net Assets	Amount (₹)
Young Brand Apparel Private Limited	4.59	12,85,47,004	1.73	35,00,559
Accel Apparels Private Limited	-	12,487	-	-
Abirami Amman Mills Private Limited	0.03	9,57,874	0.01	22,491

36. Details of Specified Bank Notes (SBN) held and transacted during the period from 8.11.2016 to 30.12.2016

(₹ In lakhs)

Particulars	SBN	Other	Total
Closing Balance as at 08.11.2016	17.51	67.04	84.55
(+) Permitted Receipts	-	47.51	47.51
(-) Deposited in Bank	15.72	0.32	16.04
(-) Permitted payment	1.79	105.90	107.69
Closing Balance as at 30.12.2016	**-**	**8.33**	**8.33**

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

As per our report of even date attached

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

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

Form AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiary Companies

Part - A Subsidiaries

(in ₹)

Particulars	Subsidiaries	
1. Name	Abirami Amman Mills Private Limited	Accel Apparels Private Limited
2. The date since when subsidiary was acquired	23.6.2016	23.6.2016
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1.4.2016 31.3.2017	1.4.2016 31.3.2017
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
5. Share capital	10,00,000	1,00,000
6. Reserves and surplus	(42,126)	-
7. Total assets	9,85,044	1,59,870
8. Total Liabilities	27,170	59,870
9. Investments	-	-
10. Turnover	-	-
11. Profit before taxation	22,491	-
12. Provision for taxation	-	-
13. Profit after taxation	22,491	-
14. Proposed Dividend	-	-
15. Extent of shareholding (in percentage)	100 %	100%

Notes : The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - Abirami Amman Mills Private Limited and Accel Apparels Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year- Nil

Part B

Associates and Joint Ventures

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

Particulars	Joint Venture
1. Name	Young Brand Apparel Private Limited
2. Latest audited Balance Sheet Date	31.3.2017
3. Date on which the Associate or Joint Venture was associated or acquired	11.12.2006
4. Shares of Associate or Joint Ventures held by the company on the year end	
No. of shares	2,17,20,202
Amount of Investment in Associates or Joint Venture	₹23,01,04,490
Extent of Holding (in percentage)	33.33 %
5. Description of how there is significant influence	Jointly controlled entity
6. Reason why the associate / joint venture is not consolidated	NA
7. Net worth attributable to shareholding as per latest audited Balance Sheet	₹12,85,47,004
8. Profit / (Loss) for the year	₹1,05,01,677
i. Considered in Consolidation	₹35,00,559
ii. Not Considered in Consolidation	₹70,01,118

1. Names of associates or joint ventures which are yet to commence operations - Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil

AOC-1 has been Prepared based on the Status of Joint Venture as at 31.3.2017

As per our report of even date attached

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

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

Coimbatore 30th May, 2017

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

C S BALAKUMAR
Chief Financial Officer

Financial Performance - Yearwise

(₹ In lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover *	Profit Before Depreciation	Depre-ciation	Profit Before Tax	Dividend on Equity Shares (%)
1994-1995	350.05	0.32	8.60	1.21	0.90	0.32	-
1995-1996 (18 months)	350.05	42.16	3171.12	185.77	143.93	41.84	-
1996-1997	350.05	104.84	4936.08	769.28	668.09	101.19	10
1997-1998	350.05	181.02	5270.53	494.61	379.92	114.69	10
1998-1999	350.05	592.27	6137.82	792.70	342.60	450.10	10
2000-2001 (18 months)	350.05	1464.27	9942.63	1702.90	537.03	1165.87	15
2001-2002	350.05	1736.63	6365.46	736.57	333.64	402.93	10
2002-2003	350.05	2085.64	6361.65	1183.80	340.02	843.78	10
2003-2004	350.05	2685.39	7533.23	1206.95	322.97	883.99	20
2004-2005	875.13	3601.48	7487.43	1789.41	321.42	1467.99	20
2005-2006	1575.43	13569.54	8670.07	2044.41	470.86	1573.55	20
2006-2007	1575.43	14903.05	11033.07	2563.34	848.69	1714.65	20
2007-2008	1575.43	14657.28	20933.17	3122.39	1493.26	1629.12	20
2008-2009	1575.43	14454.79	29095.40	3139.29	2180.84	958.44	10
2009-2010	1575.43	15683.92	35427.40	4799.92	2565.30	2234.62	15
2010-2011	1575.43	19196.90	58645.01	12108.40	5389.09	6719.31	20
2011-2012	1575.43	17559.28	43660.96	326.46	3722.63	-3396.16	-
2012-2013	1575.43	19922.46	54928.79	7648.08	3575.65	4072.42	20
2013-2014	1575.43	22710.63	71654.61	8105.12	3500.16	4604.96	20
2014-2015	1575.43	23764.29	68539.95	4580.63	2666.24	1914.38	15
2015-2016	1575.43	25315.94	77568.04	5653.56	2880.71	2772.85	16
2016-2017	1575.43	27298.53	87243.84	5465.49	3023.84	2441.65	18

* Turnover = Net Sales + Closing Stock - Opening Stock

* Excludes interdivision transfers

PLANT LOCATIONS:

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

Weaving Unit	Knitting Unit
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658

Technical Textile Unit	Processing Unit
Kovai – Sathy Main Road, Kunnathur Village Ganesapuram Post, S S Kulam (Via) Coimbatore - 641107	Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052

Garment Unit	Retail Unit
Palladam Hitech Weaving Park Sukkampalayam Village K N Puram (Po) Palladam- 641 662	252, Mettupalayam Road Coimbatore - 641 043

Windmill Units	
Irukandurai & Dhanakarkulam Villages Radhapuram Taluk Tirunelveli District, Tamilnadu	Chinnapudur Village Dharapuram Taluk Erode District, Tamilnadu
Melkaraipatti & Kottathurai Villages Palani Taluk Dindigul District Tamilnadu	Virugalpatti & Illuppanagaram Village Udumelpet Taluk Tirupur District Tamilnadu

Address for Correspondence

All investor related queries and complaints may be sent to the following address:

The Company Secretary,
Bannari Amman Spinning Mills Limited,
Regd. Office: 252, Mettupalayam Road, Coimbatore - 641 043
E-mail: shares@bannarimills.com

www.bitzindia.com

Bitz™
Respects your body



ORGANIC cotton
100% certified

Retail

Bannari Amman Retails Division is now introducing Innerwear & Active Wear brand for Women, Men and Kids in the name of "BITZ". The brand BITZ is featuring a wide range of products manufactured using advanced precision technology from unique Organic cotton. The key feature of the products is that, all the fabric are made from 100% ORGANIC COTTON and it'scertified by the Govt of India Textile Department.



Respects *your body*

Range of Products in Bitz

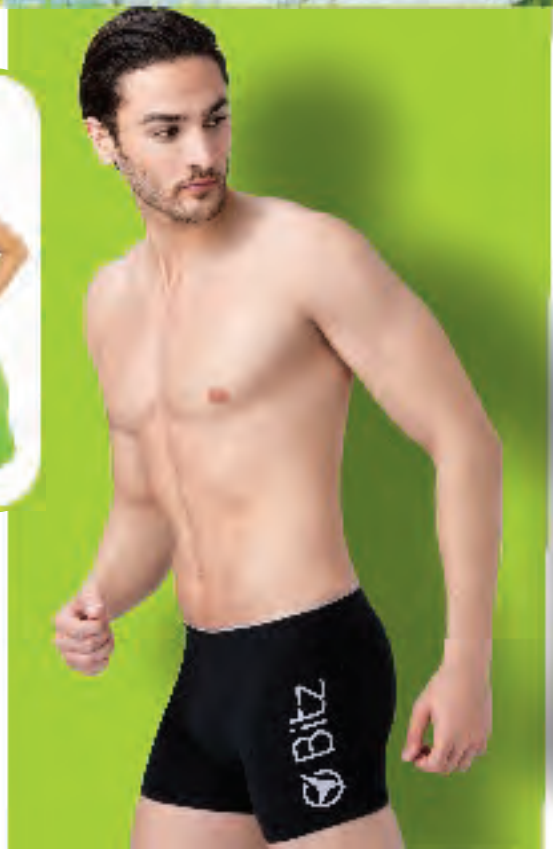
BOYS WEAR
Vest, Brief, Trunk, T-shirts, Joggers, Track pants Shorts.

GIRLS WEAR
Camisole, Bloomer, Panties, Leggings

WOMEN'S WEAR
Camisole, Racer back, Cycling shorts, Panties Churidar Legging, Ankle legging, Capri legging Brasiers.

MEN'S WEAR
Vest, Fashion vest, Muscle tee, Brief, Trunk, T-shirts, Shorts, Track pants, Joggers.





Manufactured & Marketed by **BANNARI AMMAN SPINNING MILLS LTD.,**
No.252, Mettupalayam Road, Coimbatore - 641 043. Tamil Nadu, India.
email: customercare@bitzindia.com

www.bitzindia.com

Bitz™
Respects your body



Organic Cotton inner wear for Teens, Women & Kids

ORGANIC cotton 100% certified

SPINNING SUCCESS FROM COTTON TO TEXTILES

BANNARI AMMAN SPINNING MILLS LTD.,

No.252, Mettupalayam Road, Coimbatore - 641 043. Tamil Nadu, India.

CIN :L17111TZ1989PLC002476

0422 - 2435555

shares@bannarimills.com

bannarimills.com

Kalaikathir ✆ 0422 2223454