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 29th 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 19th day of August, 2019 at 9.45 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, 2019, 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.

SPECIAL BUSINESS

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

   RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri K N V Ramani, Director (DIN 00007931), aged 87 years in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby reappointed as an Independent Director of the Company to hold office for second term of five consecutive years, from 25.8.2019 to 24.8.2024 and whose office shall not be liable to retire by rotation.

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

   RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr K R Thillainathan, Director (DIN 00009400), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby reappointed as an Independent

Director of the Company to hold office for second term of five consecutive years, from 25.8.2019 to 24.8.2024 and whose office shall not be liable to retire by rotation.

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

   RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri S Palaniswami, Director (DIN 00007901), aged 75 years in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby reappointed as an Independent Director of the Company to hold office for second term of five consecutive years, from 25.8.2019 to 24.8.2024 and whose office shall not be liable to retire by rotation.

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

   RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri K Sadhasivam, Director (DIN 00610037), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby reappointed as an Independent Director of the Company to hold office for second term of five consecutive years, from 25.8.2019 to 24.8.2024 and whose office shall not be liable to retire by rotation.

8. **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 Rs.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, 2020 be and is hereby ratified and confirmed.

By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Coimbatore
19th June, 2019

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. A statement of material facts pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of items 4 to 8 of the Agenda are annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 13.8.2019 to 19.8.2019 (both the days are inclusive).
5. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 12.8.2019. 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 12.8.2019.
6. 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; Members are requested to note that all shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years or more, are required to be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account.
7. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Company or its RTA in the following cases viz., Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares held in Physical form. Shareholders are requested to furnish copy of PAN card for all above mentioned transactions.
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory for the listed companies, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities.
9. Electronic copy of the Annual Report 2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2019 is being sent in the permitted mode.

   The members who have not yet registered their email address are requested to register/ update their email address in respect of equity shares held by them in Demat form with their respective DP's and in the case of physical form with the RTA.
10. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report 2019 will also be available on the Company's website www.bannarimills.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor E-mail ID: shares@bannarimills.com.
11. Shareholders, intending to require information about the Financial Statements to be approved at the Meeting, are requested to inform the Company Secretary at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
12. All documents referred to in the accompanying Notice and the Statement of material facts shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General

Meeting of the Company. The aforesaid documents are also available at the AGM venue on the date of AGM.

13. Members are requested to bring their copy of the Annual Report along with them to the meeting.

14. 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 the meeting. Please note that the voting through electronic means is optional for the members.

15. The voting through electronic means will commence on 16.8.2019 at 10.00 a.m and will end on18.8.2019 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. During the period shareholders' of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date (record date) i.e., on 12.8.2019, may cast their vote electronically.

16. 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.

17. **The instructions for shareholders voting electronically are as under:**

    Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)

    i. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.

    ii. Click on "Login" tab, available under 'Shareholders' section.

    iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

    iv. Your User ID details are given below:

        a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

        b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

        c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

    v. Your Password details are given below:

    If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

    Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or 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 depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB / DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number 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 number. ● Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE : The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

ix. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

❖ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

❖ They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

❖ During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- ❖ Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- ❖ In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

18. 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 through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.
19. 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.
20. The Route Map to the Venue of the Annual General Meeting is attached to the Proxy Form / Attendance Slip.

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

ITEM 4

Sri K N V Ramani is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.7.2005. Sri K N V Ramani is Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee, of the Board of Directors of the Company.

Sri K N V Ramani, aged 87 years is a Corporate Lawyer has nearly 60 years of specialisation in Companies Act, Taxation, Labour law etc., He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In terms of Section 149, 150 and 152 and further approval under Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is sought for the appointment of Sri K N V Ramani, who has attained the age of 75, by way of the aforesaid Special Resolution and any other applicable provisions of the Companies Act, 2013, Sri K N V Ramani is proposed to be reappointed as an Independent Director for second term of five consecutive years from 25.8.2019 to 24.8.2024.

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

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri K N V Ramani as an Independent Director. Accordingly, the Board recommends the Speical Resolution in relation to appointment of Sri K N V Ramani as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice Under Section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of Rs.1,00,000/- (Rupees One Lakh).

Except Sri K N V Ramani, being an appointee, 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. 4.

ITEM 5

Dr K R Thillainathan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 26.5.2008. He has more than 40 years of experience in Medical Profession. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013, Dr K R Thillainathan, is proposed to be reappointed as an Independent Director for second term of five consecutive years from 25.8.2019 to 24.8.2024.

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

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Dr K R Thillainathan as an Independent Director. Accordingly, the Board recommends the Special Resolution in relation to appointment of Dr K R Thillainathan as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice Under Section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of Rs.1,00,000/- (Rupees One Lakh)

Except Dr K R Thillainathan, being an appointee, 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.

ITEM 6

Sri S Palaniswami is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 26.5.2008. Sri S Palaniswami is a member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Sri S Palaniswami, aged 75 years has more than 40 years of experience in the field of vertical transportation elevators, escalators and allied products. He is holding by himself 172 shares in the Company.In terms of Section 149, 150 and 152 and further approval under Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is sought for the appointment of Sri S Palaniswami, who has attained the age of 75, by way of the aforesaid Special Resolution and any other applicable provisions of the Companies Act, 2013, Sri S Palaniswami, is proposed to be reappointed as an Independent Director for second term of five consecutive years from 25.8.2019 to 24.8.2024.

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

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri S Palaniswami as an Independent Director. Accordingly, the Board recommends the Special Resolution in relation to appointment of Sri S Palaniswami as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice Under Section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of Rs.1,00,000/- (Rupees One Lakh).

Except Sri S Palaniswami, being an appointee, 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. 6.

ITEM 7

Sri K Sadhasivam is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 22.8.2006. He has more than 40 years of experience in the field transportation business. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and further approval under Regulation17(1A) of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015, Sri K Sadhasivam, is proposed to be reappointed as an Independent Director for second term of five consecutive years from 25.8.2019 to 24.8.2024.

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

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri K Sadhasivam as an Independent Director. Accordingly, the Board recommends the Special Resolution in relation to appointment of Sri K Sadhasivam as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice Under Section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of Rs.1,00,000/- (Rupees One Lakh).

Except Sri K Sadhasivam, being an appointee, 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. 7.

ITEM 8

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, 2020.

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 2020, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members.

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. 8.

By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Coimbatore
19th June, 2019

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Directors seeking appointment / re-appointment

Name	Sri S V Arumugam
Age	70 Years
Qualification	B.Sc., ACA
Experience	He has more than 34 years of experience in Textile Industry
Terms and conditions of appointment or re-appointment	Terms of Appointment for 5 years with effect from 27.6.2018 to 26.6.2023
Last drawn remuneration	Rs. 64.67 Lakhs
Date of first appointment on the Board	16.5.1993
No.of shares held	168017
Relationship with Directors, Managers and KMP	NIL
No. of Board Meetings attended during 2018-19	5 out of 5 meetings held.
Other Directorship	Annamallai Infrastructures Limited Bannari Amman Flour Mill Limited Bannari Amman Food Products Limited Sakthi Murugan Transports Limited Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Anamallais Motors Private Limited Young Brand Apparel Private Limited Murugan Enterprise Private Limited Senthil Infrastructure Private Limited Vedanayagam Enterprises Private Limited Abirami Amman Designs Private Limited Accel Apparels Private Limited Bannari Amman Logistics Private Limited Bannari Amman Properties Private Limited Bannari Amman Retails Private Limited Bannari Amman Trendz Private Limited
Member of Committee	Stakeholders Relationship Committee - Member
Chairman/Member of the Committees of the Boards of other Companies	—

Except Sri S V Arumugam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Name	Sri K N V Ramani
Age	87 Years
Qualification	M.A., B.L
Experience	He has more than 60 years of Specialization in Companies Act, Taxation, Labour Law etc.,
Terms and conditions of appointment or re-appointment	First term of 5 consecutive years from 25.8.2014 to 24.8.2019. Now proposal for second term of appointment for 5 consecutive years from 25.8.2019 to 24.8.2024
Last drawn remuneration	Nil
Date of first appointment on the Board	25.7.2005
No.of shares held	Nil
Relationship with Directors, Managers and KMP	NIL
No. of Board Meetings attended during 2018-19	5 out of 5 meetings held.
Other Directorship	Sri Kannapiran Mills Limited K G Denim Limited LGB Forge Limited Shiva Texyarn Limited Shiva Mills Limited K P R Mill Limited
Member of Committee	Audit Committee - Member Nomination and Remuneration Committee - Chairman
Chairman/Member of the Committees of the Boards of other Companies	Sri Kannapiran Mills Limited Audit Committee - Chairman Nomination and Remuneration Committee - Member K G Denim Limited Audit Committee - Member Nomination and Remuneration Committee - Chairman LGB Forge Limited Nomination and Remuneration Committee - Chairman Shiva Texyarn Limited Audit Committee - Chairman Stakeholders Relationship Committee - Chairman

Except Sri K N V Ramani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Name	Dr K R Thillainathan
Age	65 Years
Qualification	MBBS
Experience	He has more than 40 years of Experience in Medical profession
Terms and conditions of appointment or re-appointment	First term of 5 consecutive years from 25.8.2014 to 24.8.2019. Now proposal for second term of appointment for 5 consecutive years from 25.8.2019 to 24.8.2024
Last drawn remuneration	Nil
Date of first appointment on the Board	26.5.2008
No.of shares held	Nil
Relationship with Directors, Managers and KMP	NIL
No. of Board Meetings attended during 2018-19	5 out of 5 meetings held.
Other Directorship	Shiva Texyarn Limited
Member of Committee	Nil
Chairman/Member of the Committees of the Boards of other Companies	Shiva Texyarn Limited Nomination and Remuneration Committee - Member

Except Dr K R Thillainathan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Name	Sri S Palaniswami
Age	75 Years
Qualification	B.E Electrical Engineering
Experience	He has more than 40 years experience in the filed of Vertical Transportation Elevators, Escalators and allied products.
Terms and conditions of appointment or re-appointment	First term of 5 consecutive years from 25.8.2014 to 24.8.2019. Now proposal for second term of appointment for 5 consecutive years from 25.8.2019 to 24.8.2024
Last drawn remuneration	Nil
Date of first appointment on the Board	26.5.2008
No.of shares held	172
Relationship with Directors, Managers and KMP	NIL
No. of Board Meetings attended during 2018-19	5 out of 5 meetings held.
Other Directorship	Shiva Mills limited Shiva Texyarn Limited
Member of Committee	Audit Committee - Member Nomination & Remuneration Committee - Member

Chairman/Member of the Committees of the Boards of other Companies	Shiva Mills Limited Audit Committee - Member Nomination and Remuneration Committee - Chairman Shiva Texyarn Limited Audit Committee - Member Nomination and Remuneration Committee - Members Stakeholders Relationship Committee - Chairman

Except Sri S Palaniswami, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Name	Sri K Sadhasivam
Age	72 Years
Qualification	B.Sc.,
Experience	He has more than 45 years of Experience in Transport Business
Terms and conditions of appointment or re-appointment	First term of 5 consecutive years from 25.8.2014 to 24.8.2019. Now proposal for second term of appointment for 5 consecutive years from 25.8.2019 to 24.8.2024
Last drawn remuneration	Nil
Date of first appointment on the Board	22.8.2006
No.of shares held	Nil
Relationship with Directors, Managers and KMP	NIL
No. of Board Meetings attended during 2018-19	4 out of 5 meetings held.
Other Directorship	Abirami Amman Designs Private Limited Accel Apparels Private limited Bannari Amman Retails Private Limited Bannari Amman Trendz Private Limited M S S Realtors Private Limited Young Brand Apparel Private Limited
Member of Committee	Nil
Chairman/Member of the Committees of the Boards of other Companies	Nil

Except Sri K Sadhasivam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

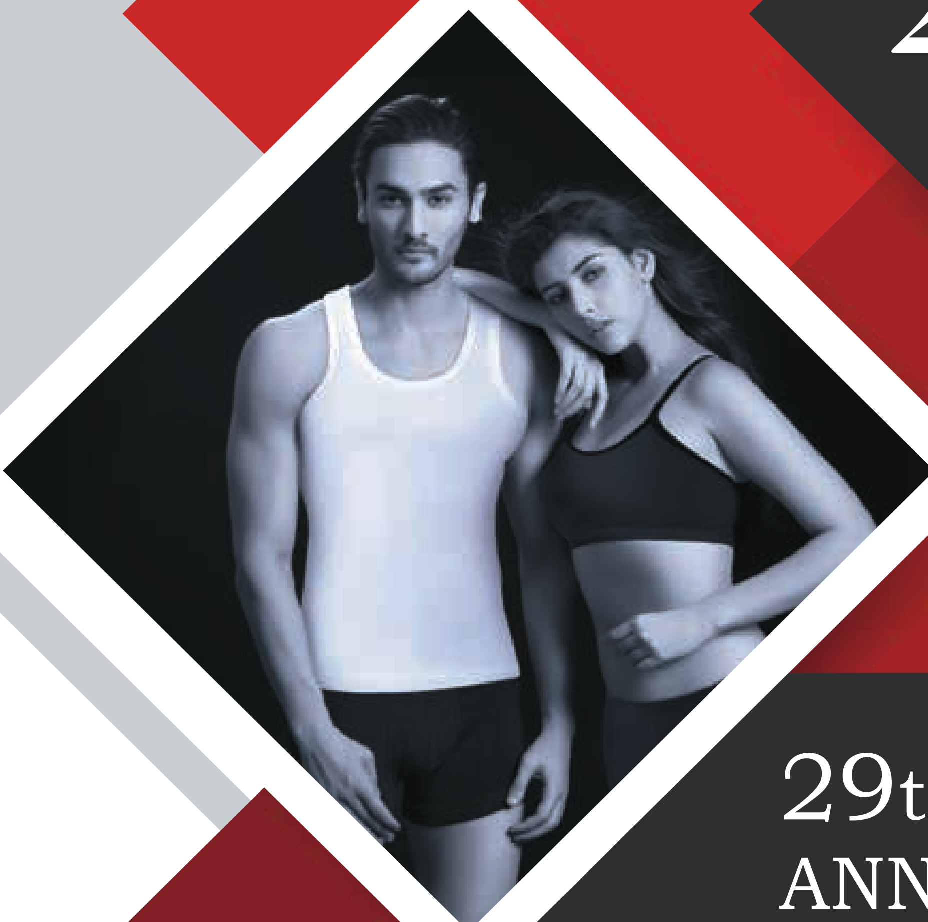
By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

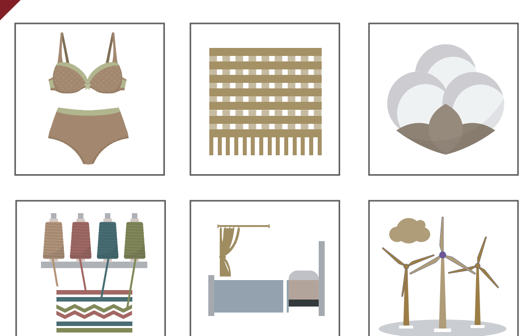
Coimbatore
19th June, 2019

BANNARI AMMAN SPINNING MILLS LTD

2019



29th ANNUAL REPORT



bannarimills.com

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BOARD OF DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Sri A Senthil

COMPANY SECRETARY

Sri N Krishnaraj

CHIEF FINANCIAL OFFICER

Sri S Seshadri

AUDITORS

M/s Deloitte Haskins & Sells LLP
Chartered Accountants
Coimbatore - 641 018

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

SHARE TRANSFER AGENT

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

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
Bank of Bahrain and Kuwait B.S.C.
Axis Bank Ltd.
DCB Bank Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report together with audited accounts of the Company for the year ended 31st March, 2019.

FINANCIAL RESULTS :

(Rs. in Lakhs)

	2018-2019	2017-2018
Profit before Depreciation	4912.48	3586.83
Less : Depreciation	3005.32	2823.26
Less : Taxes	(26.93)	29.59
Add : Other Comprehensive Income	(9.29)	2.47
Profit after Tax	1924.80	736.45
Surplus brought forward from last year	3487.10	3092.02
Amount available for appropriation	**5411.90**	**3828.47**

DIVIDEND

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

IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (Ind AS)

Financial Year 2018-19 is the second year of implementation of Indian Accounting Standards. The Financial Statements for the year ended 31.3.2019 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

REVIEW OF OPERATIONS

During the year under the review, the overall turnover of the company increased by 12.34% when compared with the previous year.

The performance of Spinning and Knitting division for the year was satisfactory though in the second half of the year there was fluctuation in the prices of cotton and yarn/fabric which affected the margins slightly. Weaving and Home Textiles division continue to perform well and the Company is concentrating on manufacture of value added products. The Processing division has processed/produced more fabric during the year and the Company is taking efforts to further improve in the production and margin.

The performance of Retail division is yet to stabilize. However the Company is confident of improved performance by creating better visibility for the products.

The unit wise performance of the company is furnished below :

Spinning Division

During the year under review, the Spinning Mills produced 32573.26 tonnes (27617.98 tonnes) inclusive of purchased quantity Nil (574.48 tonnes) of Yarn and sold 24200.63 tonnes (22701.45 tonnes) of Yarn.

The sales include 4135.82 tonnes (8233.75 tonnes) by way of Export. The total yarn sales of this division amounted to Rs.54447.61 Lakhs (Rs.48076.01 Lakhs) of which export sales amounted to Rs.9037.43 Lakhs (Rs.17293.56 Lakhs) constituting 17.49% (35.97%) of the total yarn sales.

The Spinning Division produced 9177.67 tonnes (8217.57 tonnes) of saleable waste cotton and sold 9707.61 tonnes (7913.97 tonnes) and the total waste cotton sales of this division amounted to Rs.5692.72 Lakhs (Rs.4884.75 Lakhs).

The Spinning Division traded cotton and made a sales amounting to Rs.28.51 Lakhs (Rs. 95.05 Lakhs).

Weaving Division

The Weaving Division specializes in manufacturing wider-width cotton grey woven fabric. During the year under review, 144.13 Lakh Metres (117.80 Lakh Metres) of Fabric were produced and 94.57 Lakh Metres (101.49 Lakh Metres) of Fabric were sold.

The sales include 34.27 tonnes (29.95 tonnes) by way of Export. The total fabric sales of this division amounted to Rs.8307.63 Lakhs (Rs.8218.19 Lakhs) of which export sales amounted to Rs.3057.11 Lakhs (Rs.2582.60 Lakhs).

Home Textile Division

During the year under review, the Home Textile division produced 12.19 Lakh Pieces (10.81 Lakh Pieces) of made ups and sold 11.30 Lakh Pieces (10.69 Lakh pieces).

The total sales of this division amounted to Rs.3867.86 Lakhs (Rs.1806.94 Lakhs) which includes fabric sales 30.25 Lakh metres (4.68 Lakh metres) and the sales amounted to Rs.2560.49 Lakhs (Rs. 691.39 Lakhs).

Knitting Division

During the year under review, 7809.54 tonnes (8600.98 tonnes) of Knitted fabric were produced and 7304.73 tonnes (7968.18 tonnes) were sold. The total sales of this division amounted to Rs.18277.75 Lakhs (Rs.17405.17 lakhs) of which export sales amounted to Rs.7340.94 Lakhs (Rs.10898.44 lakhs).

Processing and Technical Textiles Division

During the year under review, 3786.76 tonnes (3727.65 tonnes) of fabric were processed on job work basis and 933.17 tonnes (709.54 tonnes) of fabric were produced and 806.52 tonnes (631.27 tonnes) of fabric were sold. The total fabric sales of this division amounted to Rs.3426.89 Lakhs (Rs.2704.16 lakhs).

Apparel Division

During the year under review, 10.43 Lakhs (33.29 lakhs) pieces of Garments were produced and sold 8.97 Lakhs (14.28 Lakhs) pieces. The total sales of this division amounted to Rs.1509.29 Lakhs (Rs.1689.31 Lakhs).

Wind Mill Division

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

The windmills produced 521.09 Lakh units of power as against 549.11 Lakh units produced in the last year.

PROSPECTS FOR THE CURRENT FINANCIAL YEAR 2019-20

The Yarn production in Spinning divisions has been increased to 90 tonnes per day from the earlier level of 75 tonnes per day and it is further expected to be increased to 95 tonnes per day during the current year with no additional Investment thereby improving the margins. The contribution from Windmills on overall performance of the Company is dependent on availability of Wind of adequate velocity and its evacuation by TANGEDCO and also subject to changes in State Government policy on Wind power sector. The performance of Knitting, Processing, Weaving and Home Textiles divisions have improved and hence the overall performance of the Company during the year is expected to be better.

The Retail division of the Company set up under the brand name BITZ which commenced operations during the year 2017-18 is yet to stabilize. The products have been well accepted by the market for their quality and their USP lies in the fact that they are Organic certified. However competition from established players, longer credit cycle and customer awareness are some of the reasons for slow off take of the products. The Company is addressing the issues systematically and hence the prospects for the current year is likely to be better.

With the Textile Industry getting settled in the Goods and Service Tax (GST) regime, the initial glitches have been sorted out. The GST rates for most of the cotton based products has been pegged at 5% thereby providing level playing field to different categories of manufacturers. The Government has also been taking lot of initiatives to improve the fortunes of the textile industry. One such initiative is the increase in RoSCTL rates from 2.20% to 8.20% for madeups and from 1.70% to 6.05% for Ready made Garments which will increase the competitiveness for Home Textile & Apparel products. Thus the overall performance of the Company during the current year looks positive.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE

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

A separate section is given on Corporate Governance, Management Discussion and Analysis alongwith a certificate from a Practicing Company Secretary 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.

ANNUAL RETURN

An extract of the Annual Return as on Financial Year Ended on 31st March, 2019, 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** and is posted on the website of the Company viz., www.bannarimills.com

DIRECTORS

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

Sri K N V Ramani (DIN 00007931), Dr K R Thillainathan (DIN 00009400), Sri S Palaniswami, (DIN 00007901), Sri K Sadhasivam (DIN 00610037) Independent Directors are proposed to be re-appointed for second term of 5 consecutive years from 25.8.2019 to 24.8.2024 and whose office shall not be liable to retire by rotation.

Sri C S K Prabhu (DIN 00002913) expressed his inability for re-appointment as Independent Director for second term of 5 consecutive years, due to his professional pre-occupations and hence recommendation for the same has not been made.

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 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

KEY MANAGERIAL PERSONNEL

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

Name of the person	Designation
Sri S V Arumugam	Managing Director
Sri S Seshadri	Chief Financial Officer
Sri N Krishnaraj	Company Secretary

AUDIT COMMITTEE

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 performance of Board and of individual Directors as well as the Committees of Directors. The evaluation has been conducted internally in the manner prescribed by Nomination and Remuneration Committee.

BOARD MEETINGS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has furnished Corporate Guarantee for the credit facilities extended by the following banks to Young Brand Apparel Private Limited, a Subsidiary Company as detailed below :

(Rs. in Lakhs)

S.No	Name of the Bank	Amount for which security is provided	Amount outstanding	Nature of facility
1	Oriental Bank of Commerce	10015.00	6572.87	Working capital facility
2	Axis Bank	2500.00*	-	Working capital facility

* The facility is not availed by the subsidiary company as on reporting date.

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(1) of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Hence reporting in AOC-2 is not made. 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.

There were no transactions made with any person or entity belonging to promoter/promoter group which holds 10% or more shareholding in the Company.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

AUDITORS

The present Auditors of the Company M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018), were appointed for a term of 5 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 25th September, 2017. Pursuant to Section 40 of the Companies (Amendment) Act, 2017, the proviso to Section 139 (1) relating to ratification of appointment of Auditors every year has been omitted. Accordingly, the term of office of present Auditors will be continued without ratification.

There is no audit qualification for the year under review.

DETAILS OF FRAUDS REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under provisions of Section 143 (12) of the Companies Act, 2013 and rules made thereunder.

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.**

Further the company has obtained an Annual Compliance Report from Sri R Dhanasekaran, Practicing Company Secretary in terms of SEBI circular No. CIR/CFD/CMD1/27/2019 dt: 8.2.2019.

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

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

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 2019 - 2020. The Company has maintained such accounts and cost records as required under Section 148 (1) of the Companies Act, 2013.

JOINT VENTURE, ASSOCIATE AND SUBSIDIARIES

The Company has following five subsidiaries as on 31.3.2019:

i. Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited)

ii. Accel Apparel Private Limited

iii. Young Brand Apparel Private Limited (also Joint Venture Company)

iv. Bannari Amman Retails Private Limited; and

v. Bannari Amman Trendz Private Limited.

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 in Form AOC-1 (Part A) is furnished:

Form AOC - 1

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

Part A subsidiaries

(Amount in Rs.)

1	Name of the subsidiary	Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited)	Accel Apparel Private Limited	Young Brand Apprel Private Limited	Bannari Amman Retails Private Limited	Bannari Amman Trendz Private Limited
2	The date since when subsidiary was acquired	23.6.2016	23.6.2016	7.7.2017	14.12.2018	21.2.2019
3	Share capital	10,00,000	1,00,000	65,16,06,060	1,00,000	1,00,000
4	Reserves and surplus	(50,718)	(1,69,387)	(1,00,28,326)	(2,50,796)	(2,08,304)
5	Total assets	9,90,582	72,357	177,53,24,083	2,05,938	6,22,63,715
6	Total Liabilities	9,90,582	72,357	177,53,24,083	2,05,938	6,22,63,715
7	Investments	—	—	—	—	—
8	Turnover	—	—	192,64,52,965	—	26,710
9	Profit before taxation	(24,503)	(56,854)	7,46,28,669	—	6,952
10	Provision for taxation	(4,917)	—	1,80,44,402	—	—
11	Profit after taxation	(19,586)	(56,854)	5,65,84,267	—	6,952
12	Proposed Dividend	—	—	—	—	—
13	Extent of shareholding (in percentage)	100 %	100%	51.33%	100%	100%

Notes :

1. Names of subsidiaries which are yet to commence operations - Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited), Accel Apparel Private Limited, Bannari Amman Retails Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year - Nil

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 and to the Chairman and Managing Director of the Company.

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

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

STATEMENT ON RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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 2019, 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, 2019 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 an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and an Internal Complaints Committee (ICC) has constituted to redress complaints of sexual harassment as provided therein. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

a.	No. of complaints filed during the financial year 2018-19	-	Nil
b.	No. of complaints disposed off during the financial year 2018-19	-	Nil
c.	No. of complaints pending as on end of financial year 2018-19	-	Nil

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
19th June, 2019

ANNEXURE I

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2019

(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	12.59
2	Knitted Fabrics	13911	19.22
3	Cotton Yarn	13111	56.91

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Young Brand Apparel Private Limited Kattuputhur Village Ozhaiyur Post, Uthiramerur Tk, Kanchipuram - 603107	U18101TN2006PTC081600	Subsidiary Company	51.33%	2 (87)
2	Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited) 252 Mettupalayam Road, Coimbatore - 641 043	U17111TZ2013PTC020063	Subsidiary Company	100%	2(87)
3	Accel Apparels Private Limited 252 Mettupalayam Road Coimbatore - 641 043	U17100TZ2014PTC020825	Subsidiary Company	100%	2(87)
4	Bannari Amman Retails Private Limited 252 Mettupalayam Road Coimbatore - 641 043	U52399TZ2018PTC031377	Subsidiary Company	100%	2(87)
5	Bannari Amman Trendz Private Limited 252 Mettupalayam Road Coimbatore - 641 043	U18202TZ2019PTC031729	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	No. of shares held at the beginning of the year (As on 1-4-2018)				No. of shares held at the end of the year (As on 31-3-2019)				% 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	1,68,017	0	1,68,017	1.06	1,68,017	0	1,68,017	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	85,83,233	0	85,83,233	54.48	85,83,233	0	85,83,233	54.48	0
	Sub Total (A)(1)	**87,51,250**	**0**	**87,51,250**	**55.54**	**87,51,250**	**0**	**87,51,250**	**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)									
	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)	**87,51,250**	**0**	**87,51,250**	**55.54**	**87,51,250**	**0**	**87,51,250**	**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)									
	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.	1043705	5	1043710	6.62	1007159	5	1007164	6.39	-0.23
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2331194	0	2331194	14.79	2345811	0	2345811	14.89	0.09
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)									
	IEPF	3789	0	3789	0.02	5476	0	5476	0.03	0.01
	Hindu Undivided Family	299853	0	299853	1.90	337458	0	337458	2.14	0.23
	Non Resident Indians (Non Repat)	1775	0	1775	0.01	1604	0	1604	0.01	-0.00
	Non Resident Indians (Repat)	87412	0	87412	0.55	84531	0	84531	0.54	-0.01
	Unclaimed Shares	50	0	50	0	0	0	0	0.00	-0.00
	Clearing Member	41707	0	41707	0.26	31294	0	31294	0.19	-0.06
	Bodies Corporate	3193528	1	3193529	20.27	3189680	1	3189681	20.24	-0.02
	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)	1,57,54,263	6	1,57,54,269	100.00	1,57,54,263	6	1,57,54,269	100.00	

ii) Shareholding of Promoter

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

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

S No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	87,51,250	55.55	87,51,250	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	87,51,250	55.55	87,51,250	55.55

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

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year (as on 1.4.2018)		Cumulative shareholding during the year (as on 31.3.2019)	
		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	684805	4.34	684805	4.34
3	Prescient Securities Private Limited	572088	3.63	572088	3.63
4	Purvaj Advisors Private Limited	490000	3.11	490000	3.11
5	Shamyak Investment Private Limited	450000	2.85	450000	2.85
6	Nilesh Kishor Shah	250000	1.58	250000	1.58
7	Jewels Advisory Services LLP	0	0.00	235000	1.49

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Mukesh C Patani	150000	0.95	150000	0.95
9	Purnima Mukesh Patani	150000	0.95	150000	0.95
10	Mukesh Chimanlal Patani	150000	0.95	150000	0.95
11	Kamlesh N Shah	162019	1.02	72019	0.45
12	Shankar Resources Private Limited	499659	3.17	0	0.00

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

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

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**Sri C 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	-	-	-	-

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

V. INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	64,473.62	973.41	-	65,447.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	184.20	-	-	184.20
Total (i+ii+iii)	**64,657.82**	**973.41**	**-**	**65,631.23**
Change in Indebtedness during the financial year				
*Addition	7,024.82	-	-	7,024.82
*Reduction	3,451.03	973.41	-	4,424.44
Net Change	3,573.79	(973.41)	-	2,600.38
Indebtedness at the end of the financial year				
i) Principal Amount	68,068.16	-	-	66,068.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	163.45	-	-	163.45
Total (i+ii+iii)	**68,231.61**	**-**	**-**	**68.231.61**

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	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	17,58,235	17,58,235
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify…	-	-
5	Others, please specify	-	-
	Total (A)	**77,58,235**	**77,58,235**
	Ceiling as per the Act	-	-

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	80,000	80,000	60,000	45,000	35,000	25,000	**3,25,000**
	Commission	-	-	-	-	-		
	Others, please specify	-	-	-	-	-		
	Total (1)	80,000	80,000	60,000	45,000	35,000	25,000	**3,25,000**
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending Board / Committee Meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	80,000	80,000	60,000	45,000	35,000	25,000	**3,25,000**
	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	19,59,342	18,74,895	38,34,237
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	**19,59,342**	**18,74,895**	**38,34,237**

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

19th June, 2019

ANNEXURE II

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019)

(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, 2019, 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 2019) ('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, 2018 (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, 2018 (Not applicable to the Company during the Audit Period);

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

   a. Textile Committee Act, 1963

   b. Textiles (Development and Regulation) order, 2001

   c. 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

Place : Coimbatore
Date : 19th June, 2019

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 were 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 contributes towards dispute children of Aids affected.

Future focus :

- 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
- Actively participating in integrated rural community development
- Focus on adopting villages with its holistic development
Weblink:www.bannarimills.com

2. Composition of CSR Committee

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

Name of the member	Designation
Sri S V Arumugam	Managing Director
Sri S Palaniswami	Independent Director
Sri K Sadhasivam	Independent Director

3. Average profit before tax of the Company for last 3 financial years : Rs. 16,60,48,287/-

4. Prescribed CSR expenditure (2% of the amount as in item 3 above) : Rs. 33,20,966/-

5. Details of CSR spent during the financial year

   a) Total amount spent for the financial year : Rs. 5,22,050/-

   b) Amount unspent, if any : Rs. 27,98,916/-

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

S. No.	Projects/ Activities	Sector	Project / program locations	Amount outlay (budget) project / program wise	Amount spent on the project / program	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Medical relief to less fortunate people, affected by serious burn injuries among the society	Private	Coimbatore Dt	5,00,000	5,00,000	5,00,000	Direct
2	Providing foldable canes for blind people	Private	Mumbai	22,050	22,050	5,22,050	Direct

Reason for not spending :

Some of the projects which were to be executed 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
19th June, 2019

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, 2019 is given here below, and forms part of the Director's Report.

A. CONSERVATION OF ENERGY

a. i) The steps taken or impact on conversation of energy :

1. Spinning Humudification Plant fan blade angle and RH% optimized.
2. Dust Collector fan stopped in autoconer machines.
3. Providing dedicated compressor for cleaning with air pressure reduction from 6 bar to 4 bar.
4. Generator oil changing period once in a six month was changed to once in a months after oil testing parameter with OEM
5. Installation of fitting 10 W - 114 Nos instead of 28 W electronic fitting tube light fitting on loom light in regular loom shed.
6. In regular loom shed Tube Light Fitting completed to improvement of Fabric Quality.

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

During the year under review the company utilized wind power of 521.09 Lakh units have been captively consumed.

iii) The capital investment on energy conversation equipments;

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were Rs.22,322.78 Lakhs (Rs.32,841.69 Lakhs). Foreign exchange outgo was Rs.894.87 Lakhs (Rs.6,915.98 Lakhs).

By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Coimbatore
19th June, 2019

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 2018 -19

Director's Name	Ratio
Sri S V Arumugam, Managing Director	85.45 : 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 2018-19 compared to 2017 -18.

Director's Name/CS/CFO	% increase in remuneration
Sri S V Arumugam, Managing Director	19.97
Sri N Krishnaraj, Company Secretary	35.17
Sri S Seshadri, Chief Financial Officer	21.71

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 2018-19 — 20.08

iv) Number of permanent employees on the rolls of the Company — 3556

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 11.41%.

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 Rs.)*	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri. A. Senthil (42)	Chief Executive Officer	30,00,000	MBA	23.5.2011 (14)	Shiva Texyarn Limited
Sri. J. Annaraj (61)	GM - Weaving	20,33,350	DTT	30.3.2005 (32)	Loyal Textile Mills Limited
Sri. S. Shankarkumar (53)	GM Marketing	20,24,901	B.Tech., MBA	1.11.2013 (30)	Shiva Texyarn Limited
Sri. S. Seshadri (58)	Chief Financial Officer	20,24,895	B.Com., C.A.,	1.4.2018 (28)	Shiva Texyarn Limited
Sri. N. Krishnaraj (54)	Company Secretary	19,59,342	B.Com., ACS	3.8.2007 (31)	Bannari Amman Sugars Limited
Sri. C.S. Teotia (66)	Director - Cotton	18,00,000	B.Sc., MA PGDM	4.9.2013 (40)	Cotton Corporation of India
Sri. S. Swaminathan (50)	Admin Head	16,98,700	DTMFT	10.4.2017 (21)	Premier Spinning & Weaving Mills Private Limited
Sri. A. Ganapathy (55)	GM Business Development	16,90,291	B.Tech., MBA	15.2.2017 (29)	Rohini Textile Industry Private Limited
Sri. V. Manikanda Vasagan (49)	General Manager	16,78,717	B.E.,	19.11.2014 (24)	M. P. Shan Tex Private Limited
Sri. K. Prabakaran (48)	VP-Operations	16,54,500	Dip. (Tech)	1.10.2018 (28)	Shiva Texyarn Limited

* From 1.4.2018 to 31.3.2019

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

Name	:	S V Arumugam
Age	:	70
Designation	:	Managing Director
Nature of Duties	:	Management the day to day affairs of the Company
Remuneration (Rs. in Lakhs)	:	77.58
Qualification & Experience (years)	:	B.Sc., ACA. More than 34 years in Textile Industry
Date of commencement of employment	:	27.5.2005
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
19th June, 2019

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

BOARD OF DIRECTORS

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

Name and category of the Directors	No. of Directorships held in other Companies*	Name of the listed company and category		Number of Board Committee Membership held in other Companies**	
				Chairman	Member
Sri S V Arumugam Executive	-	Shiva Texyarn Limited #	Non-Executive Non Independent	-	1#
		Shiva Mills Limited #		-	-
Sri K N V Ramani Non-Executive Independent	5	Shiva Mills Limited	Non-Executive Independent	3	1
		Shiva Texyarn Limited			
		K G Denim Limited			
		K P R Mill Limited			
		LGB Forge Limited			
Sri C S K Prabhu Non-Executive Independent	2	Shiva Texyarn Limited	Non-Executive Independent	2	1
		Super Sinning Mills Limited			
Dr K R Thillainathan Non-Executive Independent	-	-	-	-	-

Name and category of the Directors	No. of Directorships held in other Companies*	Name of the listed company and category		Number of Board Committee Membership held in other Companies**	
				Chairman	Member
Sri S Palaniswami Non-Executive Independent	2	Shiva Mills Limited	Non-Executive Independent	2	1
		Shiva Texyarn Limited	Non-Executive Independent		
Sri K Sadhasivam Non-Executive Independent	-	-	-	-	-
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.

#Resigned w.e.f 9.11.2018

The non-Executive Independent Directors fulfill the conditions laid down for appointment / re-appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 25 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment/re-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, 5 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 30.5.2018, 27.6.2018, 14.8.2018, 12.11.2018 and 14.2.2019. The interval between the two meetings were 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 24.9.2018) 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)	5	Yes
2. Sri K N V Ramani (DIN 00007931)	5	Yes
3. Sri C S K Prabhu (DIN 00002913)	4	Yes
4. Dr K R Thillainathan (DIN 00009400)	5	Yes
5. Sri S Palaniswami (DIN 00007901)	5	Yes
6. Sri K Sadhasivam (DIN 00610037)	4	Yes
7. Smt S Sihamani (DIN 06945399)	2	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.

CHART SETTING OUT THE SKILLS OF THE BOARD OF DIRECTORS

Board of Directors	Age	Date of appointment	Qualification	Skills
Sri S V Arumugam	70	27.6.2005	B.Sc., ACA	He has more than 34 years of experience in Textile Industry
Sri K N V Ramani	87	25.7.2005	M.A., B.L	He has more than 60 years of Specialization in Companies Act, Taxation, Labour Law etc.,
Sri C S K Prabhu	64	25.7.2005	B.Com., FCA	He has more that 40 years of experience in Audit Profession
Dr K R Thillainathan	65	26.5.2008	M.B.B.S.	He has more than 40 years of Experience in Medical profession
Sri S Palaniswami	75	26.5.2008	B.E. Electrical Engineering	He has more than 40 years experience in the filed of Vertical Transportation Elevators, Escalators and allied products.
Sri K Sadhasivam	72	22.8.2006	B.Sc.,	He has more than 45 years of Experience in Transport Business
Smt S Sihamani	65	28.9.2015	B.A.	Engaged in Social Welfare activities for the past 13 years

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	4
2.	Sri K N V Ramani	Member - Independent	5
3.	Sri S Palaniswami	Member - Independent	5

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 is mentioned in the terms of reference of the Audit Committee.

During the financial year, the Audit Committee met 5 times on 26.5.2018, 27.6.2018, 10.8.2018, 10.11.2018 and 13.2.2019.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 to Managing Director is as follows :

Name	Designation	Remuneration (in Rs.)
Sri S V Arumugam	Managing Director	77,58,235

Remuneration paid to Director :

All the non-executive Director's sitting fee are revised from Rs.5000/- to Rs.10,000/- as recommended by Nomination and Remuneration Committee and approved at the Board Meeting held on 14.8.2018 for Board Meeting and Audit Committee Meeting attended by them.

Meeting of Independent Directors

During the year under review the Independent Directors met on 14.2.2019 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 of 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 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 one material subsidiary viz., Young Brand Apparel Private Limited 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 S Seshadri - Chief Financial Officer

Disclosures regarding commodity price risk and hedging activities pursuant to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted Policy on Foreign Exchnage Risk Mangement on 28.5.2018.

Exposure to commodity risks faced by the company throughout the year

Total exposure of the Company to commodities in INR : NA

Exposure of the company to various commodities : NA

Commodity name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

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 31.3.2019

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
3.	Sri S Palaniswami*	Member

* Appointed w.e.f 14.2.2019

Sri N Krishnaraj, Company Secretary is the Compliance Officer.

The company has not received any complaintsfrom the Investors for redressal during the year and there were no complaint was pending at the beginning of the year.

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

All the above shares wereTransferredto Investors Education and Protection Fund pursuant to Section 124 (6) of the Companies Act, 2013 and the Investor Educationand Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Bannari Amman Spinning Mills Limited-Unclaimed Shares Demat Suspense Account was closed on 28.1.2019.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Board took the same on record.

INSIDER TRADING

In compliance with SEBI Regulations in prohibition 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
26th	28.9.2016 9.15 A.M.	Nil	Not Applicable
27th	28.9.2017 9.15 A.M.	Nil	Not Applicable
28th	24.9.2018 9.15 A.M	i) Re-appointment and payment of remuneration to Sri S V Arumugam, Managing Director (DIN 00002458)	Total Votes polled : 87,53,254 Votes polled for : 87,53,254 Votes against : Nil Votes neutral : Nil
		ii) Approval for continuation of present term of Directorship of Sri K N V Ramani (DIN 00007931) who has attained the age of 75 years, in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Total Votes polled : 85,85,237 Votes polled for : 85,85,217 Votes against : Nil Votes neutral : Nil Votes Invalid : 20
		iii) Approval for Continuation of present term of Directorship of Sri S Palaniswami (DIN 00007901) who attains the age of 75 years, during the tenure of his present appointment, in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Total Votes polled : 87,53,254 Votes polled for : 87,53,234 Votes against : Nil Votes neutral : Nil Votes Invalid : 20

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 Meeting.

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 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.

✓ There were no utilization of funds raised through preferential allotment or qualified institutions placements as specified under Regulation 32 (7A)

✓ There were no instances of Board for non acceptance of any recommendation of any Committee of the Board which is mandatorily required during the Financial Year.

✓ The company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed to this report as Annexure.

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, 19th August, 2019
Time	:	9.45 A M
Venue	:	Nani Kalai Arangam Mani Higher Secondary School Pappanaickenpalayam Coimbatore 641 037

Financial Year

Results Announced	:	30.5.2019
Posting of Annual Report	:	On or before 25th July, 2019
Last date of receipt of Proxy forms	:	17th August 2019
Dividend payment Date	:	on or before 17th September, 2019
Announcement of quarterly Results	:	i) During first/second week of August and November 2019. February and May 2020 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 13.8.2019 to 18.8.2019 (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 2018 to March 2019 were:

MONTH	SHARE PRICE				NSE - NIFTY		BSE - SENSEX	
	NSE (Rs. Ps.)		BSE (Rs. Ps.)					
	High	Low	High	Low	High	Low	High	Low
April 2018	256.70	231.10	260.00	235.10	10759.00	10111.30	35213.30	32972.56
May	243.50	220.00	244.40	215.05	10929.20	10417.80	35993.53	34302.89
June	233.35	191.00	234.00	193.00	10893.25	10550.90	35877.41	34784.68
July	243.00	193.90	243.00	198.10	11366.00	10604.65	37644.59	35106.57
August	254.95	202.70	249.00	210.00	11760.20	11234.95	38989.65	37128.99
September	228.35	202.00	225.00	200.70	11751.80	10850.30	38934.35	35985.63
October	221.90	190.00	222.50	190.00	11035.65	10004.55	36616.64	33219.58
November	215.00	191.00	219.80	191.20	10922.45	10341.90	36389.22	34303.38
December	223.40	190.00	227.00	192.00	10985.15	10333.85	36554.99	34426.29
January 2019	230.90	190.00	228.95	192.10	10987.45	10583.65	36701.03	35375.51
February	204.20	157.10	202.95	157.00	11118.10	10585.65	37172.18	35287.16
March	210.00	179.25	208.95	176.65	11630.35	10817.00	38748.54	35926.94

Based on the closing quotation of Rs. 182.55 as at 31.3.2019 at NSE Mumbai, the market capitalization of the company was Rs. 287.59 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 2019-2020.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

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

DEMATERIALISATION OF SHARES

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

SHARE TRANSFER AGENT

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

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

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

SHARE TRANSFER SYSTEM

The Share Transfers in physical form are registered and returned within 30days 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 31.3.2019

Category	No. of Shares Held	Percentage of Shareholding
Promoter's Holding	87,51,250	55.55
Banks/FIs/Mutual Funds	-	-
Private Corporate Bodies	32,20,975	20.45
Indian Public	36,95,909	23.46
NRI/OCBs	86,135	0.54
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	

CREDIT RATINGS

Credit ratings obtained by the Company and revisions thereto during the financial year 2018-19 for credit facilities availed by the Company from Banks are as follows :

Rating Agency	Communication No	Nature of facility	Rating	Rating action
CARE Ratings Limited	CARE/CRO/RL/ 2017-18/1497 dt: 2.1.2018	Long-term Bank facilities	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Revised from CARE A-;Negative (Single A Minus; Outlook : Negative)
		Short term Bank facilities	CARE A3 + (A Three Plus)	Revised from CARE A2 (A Two)
		Long-term/Short term Bank facilities	CARE BBB+; Stable /CAREA3+ (Triple B Plus; Outlook: Stable / A Three Plus)	CARE A-; Negative/ CARE A2 (Single A minus ; Outlook: Negative /A Two)
CARE Ratings Limited	CARE/CRO/RL/ 2018-19/1384 dt: 1.11.2018	Long-term Bank facilities	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Reaffirmed
		Short term Bank facilities	CARE A3+ (A Three Plus)	Reaffirmed
		Long-term/Short term Bank facilities	CARE BBB +; Stable / CARE A3 + (Triple B Plus; Outlook: Stable / A Three Plus)	Reaffirmed

AUDITORS FEES ON CONSOLIDATED BASIS

The total fees for all services paid by the Company and its subsidiaries on consolidated basis to the Statutory Auditors during the year 2018-19 is as follows :

(in Rupees)

S. No.	Payment of fees towards	Holding Company	Subsidiary companies		
		Bannari Amman Spinning Mills Limited	Young Brand Apparel Private Limited	Bannari Amman Retails Private Limited	Bannari Amman Trendz Private Limited
1.	Statutory Audit & Limited Review	22,50,000	7,50,000	-	-
2.	Taxation matters	-	-	-	-
3.	Other services	-	-	-	-

By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Coimbatore
19th June, 2019

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, Tamilnadu with an installed capacity of 145440 spindles, Weaving and Home Textiles units at Karanampettai near Palladam with an installed capacity of 153 looms, Processing unit at SIPCOT, Perundurai with an installed capacity to process 5400 tonnes of fabric per annum, Knitting unit at Karanampettai near Palladam with installed capacity to produce 10800 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 has been one of the oldest and mainstays of the Indian economy and makes major contribution to the national economy in terms of direct and indirect employment generation, contribution to GDP and net foreign exchange earnings. The size of India's textile market currently estimated at around US$ 140 billion is expected to touch US$ 220 billion market by 2025. India's Textiles exports which was about US$ 39 billion in 2017-18 is expected to increase to US$ 82 billion by 2021. Thus the growth and all round development of this Industry has a direct bearing on the improvement of the economy of the Country.

Considering the potential of the Industry, the Government has been implementing various policy initiatives and programmes for development of textiles and handicrafts, particularly for technology, infrastructure creation, skill development, including Amended Technology Upgradation Funds Scheme (ATUFS), PowerTex India Scheme, Scheme for Integrated Textile Parks, SAMARTH- scheme for capacity building in Textile Sector to name a few. Sector specific incentives viz. increase in MEIS rate from 4% to 6% and RoSCTL from 1.70% & 2.20% to 6.05% & 8.20 % have been announced by the Government during the course of the FY 2018-19 to boost export of Ready made garments and made ups respectively. Reduction of Hank Yarn Packing Obligation from 40% to 30% has met one of the long standing demand of the spinning sector. The difficulties faced consequent to the introduction of Goods & Service Tax (GST) from July' 2017 have been mostly overcome and it is expected that there will be streamlining of tax structure and improve compliance going forward. The GST council has considered suggestions made by various Trade Bodies to resolve the anomalies in the Tax structure as well as procedural formalities which has helped in stabilization of GST regime. Moreover various State Governments have also announced State specific Textile policies offering Incentives and concessions to attract Investment which augurs well for the Textile and clothing Industry.

OPPORTUNITIES

India is the largest producer of cotton in the world and second largest exporter of textile and apparel products with a massive raw material and manufacturing base. Inspite of having a strong production base, India's share in global textile and apparel trade is about 6% only whereas China's share is about

25%. Hence there is tremendous scope for India to increase its market share in the world textile market. As China's share in global textiles is falling due to variety of reasons, India has huge potential to play a prominent role in International Textile trade. Indian textile industry has strengths across the entire value chain from natural to man-made fiber to apparel to home furnishings. Considering the initiatives taken by the Government, the scope for increasing India's share of exports from the present 6% is tremendous. At the same time, India has a vast and buoyant domestic market to be tapped. Growing demand for textile products, Policy support and Increasing Investments offer excellent opportunity for the Industry to increase the market share. India must concentrate on increasing export of value added products along the value chain which will increase export numbers and also create jobs.

OUTLOOK

India represents the largest producer of jute and cotton, and the second largest producer of silk. Due to the high abundance of raw materials coupled by cheap labour costs, the cost of manufacturing textile and apparel is significantly lower than many other competing countries.

India currently has one of the world's largest young population. Currently around half of the total population is below 25 years of age. This age group represents one of the biggest consumer group of textiles and apparel and is expected to drive the spending over the next five years.

Catalyzed by increasing penetration of the internet, online retailing has witnessed strong growth in the country. Consumers are now looking for ease of shopping, multiple options, better offers and easy return policies. The growth in online sales has enabled the textile industry to reach consumers residing across every corner of the nation.

Due to a change in buying habits, consumers are now shifting from need-based clothing to aspiration-based clothing. Contrary to previous years, where the Indian consumers purchased fashion items as and when required, buying clothes has become more than a basic need; it is now a reflection of aspiration, personality, and a status symbol. Though basic textiles continue to represent a part of the consumer's basket, the demand for aspirational clothing has increased significantly in recent years. Given the timely policy support and intervention to boost exports, the industry has the potential to increase its share in export markets also.

With all this positive steps and recent trends, the future of Indian textile and clothing industry looks very positive.

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. Availability of skilled labour continues to be one of the key concerns for the Industry inspite of several measures initiated to retain talent. Imports of cheap Fabric and Garments from neighboring countries is another concern as it affects the domestic manufacturers. Neighboring countries such as Bangladesh, Vietnam and Cambodia have preferential agreement with developed nations thereby enjoying duty free access for their products whereas India's textile exports suffer duty thereby affecting competiveness. Hence it is imperative that India finalizes FTA treaty with EU soon to compete with other countries so as to increase market share. Volatile fluctuations in foreign exchange rates over a shorter period of time 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.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS FOR THE FINANCIAL YEAR 2017-18 AND 2018-19.

S. No.	Ratios	31.3.2019	31.3.2018
1	Debtors turnover	6.86	8.93
2	Inventory turnover	2.55	2.57
3	Interest coverage	1.31	1.13
4	Current ratio	0.88	0.91
5	Debt Equity Ratio	2.62	2.71
6	Operating profit margin	8.14%	7.23%
7	Net Profit margin	1.93%	0.82%

DETAILS OF ANY CHANGE IN RETURN ON NETWORTH AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

Return on Networth 31.3.2018 - 2.51 (PAT/total equity)

Return on Networth 31.3.2019 - 6.96

The RONW has increased during FY 19 as the performance of most of the divisions of the Company improved as compared to previous year due to measures taken by the Company to improve productivity, utilization and efficiency.

MEDIUM TERM AND LONG TERM STRATERGIES

The Company currently manufactures Cotton yarn, Knitted fabric, Grey and bleached woven fabric, made ups, Processed knit fabric and Apparel products for men, women and kids. The medium and long term strategies that will be initiated by the Company are discussed below :

Cotton Yarn :

The Spinning units presently produce about 90 tonnes of cotton yarn per day out of which hosiery (knitted) yarn forms a major portion (about 85%). Within the knitted yarn segment, the Company is focusing on increasing the share of value added yarn viz. Gold, Organic, Compact, BCI, Contamination free, "S" twist to name a few which will yield better margins as compared to conventional yarn.

Knitted fabric :

The Knitting unit presently produces about 20 to 25 tonnes of fabric per day which is expected to be increased to 30 tonnes per day by improving utilization and efficiency. Production is against orders and emphasis will be on producing value added fabric (Lycra).

Woven fabric :

Production of fabric is generally against orders. A portion of fabric produced is transferred to Home Textile division for manufacture of value added products. Efforts are under way to identify new markets.

Home Textiles :

The main products are bleached fabric and madeups like bed linen products meant mainly for exports. Home textiles is one of the focus areas for the Company. Availability of incentives like Duty Drawback, MEIS and RoSCTL for madeups offer excellent opportunity to explore new export markets.

Retail division :

The Retail division focuses on Inner wear & Active wear for men, women and kids. It has a wide range of products manufactured using advanced precision technology from Organic cotton. With improvement in economy, rising disposable income and evolving demand for life style products, the opportunity in Retail space is tremendous and the Company is focused to utilize the opportunity.

By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Coimbatore
19th June, 2019

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 31.3.2019.

By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Coimbatore
19th June, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Bannari Amman Spinning Mills Limited
(CIN : L17111TZ1989PLC002476)

I have examined the compliance of conditions of Corporate Governance by Bannari Amman Spinning Mills Limited ('the company'), for the year ended on 31st March, 2019 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. My 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 my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I 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.

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

R. Dhanasekaran
Company Secretary in Practice
FCS 7070
CP 7745

Coimbatore
19th June, 2019

ANNEXURE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
BANNARI AMMAN SPINNING MILLS LIMITED
CIN: L17111TZ1989PLC002476
Registered office : 252, Mettupalayam Road, Coimbatore - 641 043.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bannari Amman Spinning Mills Limited having CIN : L17111TZ1989PLC002476 and having registered office at 252, Mettupalayam Road, Coimbatore-641043 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

R. Dhanasekaran
Company Secretary in Practice
FCS 7070
CP 7745

Coimbatore
19th June, 2019

INDEPENDENT AUDITORS' REPORT

To

The Members of BANNARI AMMAN SPINNING MILLS LIMITED
Report on the Audit of the Standalone Financial Statements

Opinion

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 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles (Ind AS) generally accepted in India, of the state of affairs of the Company as at 31st March 2019 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1</td><td>Determination of Net Realisable Value of certain finished goods

The Company has inventory of certain finished goods aggregating Rs. 3,045.55 lakhs (Refer Note 6 to the standalone financial statements) which, as per the accounting policy for valuation of inventory in Note 2.4, are valued at lower of cost and net realizable value.

Determination of the net realisable value by Management involves certain element of judgment involving consideration of volatility in selling price of garments stock (finished goods), past trends of discounts applied for disposal of old inventory, estimated fashion trends and market conditions, etc.

Any change in the assumptions considered by the Management would result in an impact in the margins in the year of disposal of the inventory or change in assumption.</td><td>Principal audit procedures performed

We have performed the following procedures :

a. Evaluated the design and implementation of the relevant internal controls and the operating effectiveness of such internal controls existing over the process of assumptions considered by the management in determining the net realisable value and assessing if the same is higher than cost or requiring adjustment to cost of such finished goods.

b. Obtained an understanding of the significant judgements applied by the management in determination of the net realizable values of the finished goods and the relevant workings and for sample selected we performed the following procedures:

● Conducted a retrospective test of comparing the net realisable value determined by the management in the previous year with the sale values of such finished goods in the current year to evaluate if the assumptions considered were reasonable.

● Compared the net realisable value determined at the year-end with any instance of sale occurring for such inventory after the year end / latest realization to assess the reasonableness of the assumptions considered by the management.

● Compared the actual costs incurred to sell after the year end / based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management.

● Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at the lower of cost and net realisable value.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) 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, as amended 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 standalone financial statements.
      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

C.R. Rajagopal
Partner
(Membership No. 23418)

Coimbatore
19th June, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BANNARI AMMAN SPINNING MILLS LIMITED ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 of the based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of 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 expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial 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 the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

C.R. Rajagopal
Partner
(Membership No. 23418)

Coimbatore
19th June, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

b) Some of the plant, property and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the plant, property and equipment at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as plant, property and equipment in the financial statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for credit facilities taken from banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement based on the confirmations directly received by us from banks.

ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

iv) The Company has not granted any loans hence provisions of Section 185 is not applicable. The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of making investments and providing guarantees.

v) According to the information and explanations given to us,the Company has not accepted any deposit during the year hence the provisions of Sections 73 to 76 or any other provisions of the Companies Act, 2013 is not applicable.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

c) Details of dues of Duty of Excise which have not been deposited as on 31st March, 2019 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Lakhs)
Central Excise Act, 1944	Claim for refund of duty	CESTAT Chennai	Assessment Year 2008-09, 2009-10 2017-18	112.58

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not has taken any loans from financial institutions, Government or has not issued any debentures.

ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company has obtained term loans during the year and the same have been applied for the purposes for which they were obtained.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 Order is not applicable to the Company.

xv) In our opinion and according to information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

C R Rajagopal
Partner
(Membership No. 23418)

Coimbatore
19th June, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	As at March 31,2019	As at March 31,2018
ASSETS			
1 **Non-current Assets**			
a) Property, plant and equipment	3A	58,887.52	59,789.91
b) Capital work-in-progress	3A	131.93	105.76
c) Financial assets	4		
i) Investments	4.1	2,706.86	2,731.32
d) Other non-current assets	5	1,301.59	972.70
Total Non-current Assets		**63,027.90**	**63,599.69**
2 **Current assets**			
a) Inventories	6	25,533.39	27,600.08
b) Financial assets	7		
i) Trade receivables			
A) Trade receivable considered good - Unsecured	7.1	17,697.70	11,443.70
B) Trade receivable - Credit impaired	7.1	-	-
ii) Cash and cash equivalents	7.2	831.03	902.74
iii) Loans	7.3	30.94	22.29
iv) Other financial assets	7.4	1,474.83	1,266.59
c) Other assets	8	3,334.03	3,777.05
d) Assets classified as held for sale	3B	56.72	56.72
Total current assets		**48,958.64**	**45,069.17**
Total assets (1+2)		**111,986.54**	**108,668.86**
EQUITY AND LIABILITIES			
1 **Equity**			
a) Equity share capital	9	1,575.43	1,575.43
b) Other equity	10	29,334.00	27,713.08
Total equity		**30,909.43**	**29,288.51**
Liabilities			
2 **Non-current liabilities**			
a) Financial liabilities	11		
i) Borrowings	11.1	21,479.24	25,548.84
b) Deferred tax liabilities (net)	29B	2,670.34	3,009.18
c) Other liabilities	12	1,083.25	1,243.21
Total non - current liabilities		**25,232.83**	**29,801.23**
3 **Current liabilities**			
a) Financial liabilities	13		
i) Borrowings	13.1	40,196.33	35,231.65
ii) Trade payables			
a) Total outstanding dues of micro & small enterprises	13.2	775.96	—
b) Total outstanding dues of creditors other than micro and small enterprises	13.2	8,145.90	9,958.92
iii) Other financial liabilities	13.3	5,438.24	3,675.20
b) Provisions	14	552.97	121.90
c) Other current liabilities	15	734.88	591.45
Total current liabilities		**55,844.28**	**49,579.12**
Total equity and liabilities (1+2+3)		**111,986.54**	**108,668.86**
See accompanying notes to the standalone financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	16	99,982.78	89,203.89
II	Other Income	17	880.38	579.83
III	**Total revenue (I + II)**		**100,863.16**	**89,783.72**
IV	**Expenses**			
	a) Cost of materials consumed	18A	69,287.92	63,550.49
	b) Purchase of stock-in-trade	18B	110.75	1,227.37
	c) Changes in stock of finished goods, work-in-progress and stock-in-trade	19	(1,659.83)	(3,960.78)
	d) Employee benefit expense	20	9,130.72	8,225.54
	e) Finance costs	21	6,235.74	5,686.49
	f) Depreciation and amortisation expenses	3A	3,005.32	2,823.26
	g) Other expenses	22	12,845.38	11,467.78
	Total Expenses		**98,956.00**	**89,020.15**
V	**Profit before tax (III - IV)**		**1,907.16**	**763.57**
VI	**Tax Expense**			
	1) Current tax			
	a) Current tax	29A	309.00	172.00
	b) Income tax relating to earlier years	29A	-	(15.30)
	2) Deferred tax			
	a) Deferred tax	29A	(100.98)	44.89
	b) MAT credit	29A	(309.00)	(172.00)
	c) MAT credit lapsed written off	29A	74.05	-
	Total tax expense		**(26.93)**	**29.59**
VII	**Profit for the year (V - VI)**		**1,934.09**	**733.98**
VIII	**Other comprehensive income/(loss)**		**(9.29)**	**2.47**
	A i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit liabilities/(asset)		(11.19)	3.57
	b) Gain/(loss) on equity instruments designated at FVTOCI		(1.01)	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		2.91	(1.10)
IX	**Total comprehensive income for the year (VII + VIII)**		**1,924.80**	**736.45**
X	**Earnings per equity share: in Rs.**	28		
	1) Basic		12.28	4.66
	2) Diluted		12.28	4.66

See accompanying notes to the standalone financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

a) Equity share capital	Amount
Balance as at April 1, 2017	1,575.43
Balance as at March 31, 2018	**1,575.43**
Balance as at April 1, 2018	1,575.43
Balance as at March 31, 2019	**1,575.43**

b) Other equity (Rs. in Lakhs)

Particulars	Securities premium account	General reserve	Retained earnings (refer note 10)	Items of Other Comprehensive Income		Total other equity
				Remeasurements of the defined benefit liabilities/ (asset)	Equity instruments through other comprehensive income	
Balance as at April 1, 2017	**7,930.76**	**16,295.22**	**3,122.84**	**(35.32)**	**4.50**	**27,318.00**
Profit for the year	-	-	733.98	-	-	733.98
Cash dividends	-	-	(283.58)	-	-	(283.58)
Tax on dividends	-	-	(57.79)	-	-	(57.79)
Other comprehensive income (net of taxes)	-	-	-	2.47	-	2.47
Balance as at March 31, 2018	**7,930.76**	**16,295.22**	**3,515.45**	**(32.85)**	**4.50**	**27,713.08**
Balance as at April 1, 2018	**7,930.76**	**16,295.22**	**3,515.45**	**(32.85)**	**4.50**	**27,713.08**
Profit for the year	-	-	1,934.09	-	-	1,934.09
Cash dividends (Refer Note 9(iii))	-	-	(252.07)	-	-	(252.07)
Tax on dividends (Refer Note 9(iii))	-	-	(51.81)	-	-	(51.81)
Other comprehensive income (net of taxes)	-	-	-	(8.28)	(1.01)	(9.29)
Balance as at March 31, 2019	**7,930.76**	**16,295.22**	**5,145.66**	**(41.13)**	**3.49**	**29,334.00**

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

STANDALONE STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax for the year		1,907.16		763.57
Adjustments for :				
Depreciation and amortisation expenses	3,005.32		2,823.26	
Profit on sale of property, plant and equipment	(62.06)		(45.03)	
(Profit) / loss on sale of investments	(7.32)		5.26	
Finance costs	6,235.74		5,686.49	
Interest income	(137.13)		(84.35)	
Dividend income	-		(0.03)	
Allowance for/(reversal of) doubtful trade receivables and advances and bad debts written off	53.27		31.30	
Net unrealised exchange (gain) / loss	(473.97)		23.60	
		8,613.85		8,440.50
Operating profit / (loss) before working capital changes		10,521.01		9,204.07
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Financial Assets				
Trade receivables	(6,259.27)		(2,959.72)	
Loans	(8.65)		(3.19)	
Other financial assets	92.15		(1,038.28)	
Non-financial assets				
Inventories	2,066.69		(7,842.71)	
Other non-financial assets	558.46		(1,590.97)	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(1,037.06)		5,865.35	
Other financial liabilities	(72.02)		141.01	
Non-financial liabilities				
Provisions	122.07		(35.29)	
Other non-financial liabilities	125.68		(340.52)	
		(4,411.95)		(7,804.32)
Cash generated from operations		**6,109.06**		**1,399.75**
Net income tax (paid)		(382.37)		(232.72)
Net cash flow from / (used in) operating activities (A)		**5,726.69**		**1,167.03**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(2,469.48)		(4,796.32)	
Proceeds from sale of investments	35.26		77.79	
Margin money deposits and other stamps	(262.00)		399.14	
Investments made in subsidiary	(2.00)		(304.95)	
Purchase of other investments	(2.47)		(7.75)	
Proceeds from sale of property, plant and equipment	316.25		53.50	
Interest received	134.37		104.66	
Dividend received	-		0.03	
Net cash flow from / (used in) investing activities (B)		**(2,250.07)**		**(4,473.90)**

STANDALONE STATEMENT OF CASH FLOWS (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	1,060.00		10,563.82	
Repayment of non-current borrowings	(3,243.57)		(5,863.90)	
Increase / (decrease) in working capital borrowings	4,989.65		3,696.30	
Payment of dividend including tax thereon	(303.89)		(341.33)	
Finance costs paid	(6,313.10)		(5,623.25)	
Net cash flow from / (used in) financing activities (C)		**(3,810.91)**		**2,431.64**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(334.29)**		**(875.23)**
Add: Cash and cash equivalents at the beginning of the year		900.57		1,775.80
Cash and cash equivalents at the end of the year *		**566.28**		**900.57**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet :				
Cash and cash equivalents as per Balance Sheet (Refer Note 7.2)		831.03		902.74
Less: Bank balances not considered as cash and cash equivalents, as defined in Ind AS 7 Cash Flow Statements:				
i) In earmarked accounts				
- Margin money deposits		(262.00)		-
- Unpaid dividends account		(2.75)		(2.17)
Cash and cash equivalents as per Cash Flow Statement		**566.28**		**900.57**
* Comprises:				
a) Cash on hand	7.96		18.01	
b) Cheques/drafts on hand	161.00		73.00	
c) Balances with banks:				
i) In current accounts	397.32		809.56	
Total		**566.28**		**900.57**
See accompanying notes to the standalone financial statements				

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
1.	**Corporate Information**
	Bannari Amman Spinning Mills Limited (the "Company") is a integrated textile company engaged in the manufacture of cotton yarn, knitted & woven fabrics, processing of fabrics, finished garments, home textiles and wind power generation. It also has retail division under the brand name "BITZ". The company was incorporated in the year 1989 and issued shares to the public in the year 2006.
	The standalone financial statements were approved for issue by the Board of Directors on June 19, 2019.
2.	**Significant Accounting Policies**
	This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
2.1	**Basis of accounting and preparation of financial statements**
	i) Compliance with Ind AS
	"The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act as amended from time to time.
	Except for the changes below, the Company has consistently applied accounting policies to all periods.
	The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.
	Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material."
	ii) Historical cost convention
	The financial statements have been prepared on a historical cost basis, except for the following : a) Certain property plant and equipment, financial assets & liabilities that are measured at fair value b) Defined benefit plans – plan assets measured at fair value c) Assets held for sale – measured at fair value less cost to sell
2.2	**Segment reporting**
	Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker.

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
2.3	**Use of estimates** In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. a) **Impairment of investments in subsidiaries** The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. b) **Useful lives of property, plant and equipment** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. c) **Deferred tax assets** The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. d) **Employee benefits** The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.
2.4	**Inventories** Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at cost on First-In-First-Out (FIFO) basis. Value of finished goods and work-in-progress are determined on First-In-First-Out (FIFO) basis and include appropriate share of overheads.
2.5	**Cash and cash equivalents** Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits. Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
	overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.
2.6	**Cash flow statement**
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
2.7	**Taxes on income**
	a) Current tax
	The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.
	b) Deferred tax
	Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
	MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
	The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
	Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
	The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
	c) **Current and deferred tax for the year** Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.
2.8	a) **Property, plant and equipment** The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss. Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. b) **Capital work-in-progress** Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. For the purpose of transition to Ind AS, the Company has elected to fair value all its property plant and equipment in accordance with Ind AS 101 as of April 01, 2016.

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
2.9	**Leases**
	a) Where the company is Lessee :
	Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
	Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals for non-cancellable leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease where the lease payments are structured to increase in line with expected general inflation.
	b) Where the company is Lessor :
	Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.
2.10	**Revenue recognition**
	Effective from 1st April 2018 the Company has adopted Ind AS 115, Revenue from Contracts with Customers. The company has adopted full retrospective adoption in which standard is applicable to all the periods presented, including comparative period. The revenue is recognised as follows:
	Revenue is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
	i) **Sale of goods :** Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
	ii) **Time and material :** Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.
	iii) **Dividend and interest income :** Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective

Note No.	Particulars
	interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
	iv) **Other operating revenue :** Income incidental to exports such as duty drawback, Merchandise Exports from India Scheme (MEIS), income from import entitlement and premium on sale of such entitlement are recognised when there is a reasonability of collection
2.11	**Employee benefits**
	Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.
	a. **Retirement benefit costs and termination benefits**
	Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.
	For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.
	b. **Defined benefit costs are categorised as follows**
	- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
	- net interest expense or income; and
	- remeasurement
	For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.
	The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.
	The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
	the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. **c. Short-term and other long term employee benefits** A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.
2.12	**Foreign currency transactions and translations** **i) Functional and presentation currency** Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. **ii) Transactions and balances** Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Also refer note 2.1(1). Non-monetary assets and liabilities measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.
2.13	**Borrowings and Borrowing cost** Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
	Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
	Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.
2.14	**Earnings per share**
	Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
2.15	**Provisions and contingencies**
	A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.
2.16	**Financial Instruments**
	All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.
	For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL.
	The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.
	a) Non-derivative financial assets
	i) Financial assets at amortised cost
	A financial asset shall be measured at amortised cost if both of the following conditions are met:
	a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

Note No.	Particulars
	b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition. Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item. **ii) Equity instruments at FVTOCI** All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss. **iii) Financial assets at FVTPL** FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Note No.	Particulars
	iv) Derecognition of financial assets The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. **b) Non-derivative financial liabilities** **i) Financial liabilities at amortised cost** Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method. **ii) Financial liabilities at FVTPL** Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss. For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
	foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.
	iii) Derecognition of non-derivative financial liabilities
	The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.
2.17	**Impairment**
	a) Financial Assets
	In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
	Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.
	ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider :
	i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
	ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
	As practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.
	ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Notes to the Standalone financial statements for the year ended March 31, 2019

Note No.	Particulars
	Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
	b) Non-financial assets
	The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.
	An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.
	The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").
2.18	**Government grants**
	Grants from the government are recognised when there is reasonable assurance that:
	i) the Company will comply with the conditions attached to them; and
	ii) the grant will be received.
	Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.
	Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.
2.19	**Operating cycle**
	Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to the Standalone financial statements for the year ended March 31, 2019

3A Property, plant and equipment and capital work-in-progress

(Rs. in Lakhs)

Carrying Amount of	As at March 31, 2019	As at March 31, 2018
Own land	4,976.31	4,976.31
Leasehold land	608.09	610.49
Building - own	11,329.34	11,529.75
Building - leasehold	1,370.11	1,418.96
Plant and machinery	40,062.90	40,784.89
Office equipment	130.66	153.86
Furniture and fittings	342.13	227.79
Vehicles	66.19	86.07
Tools and implements	1.79	1.79
Total	**58,887.52**	**59,789.91**
Capital work-in-progress	131.93	105.76
Total	**59,019.45**	**59,895.67**

(Rs. in Lakhs)

Description of assets	Own land	Leasehold land	Building - own	Building - leasehold	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
I. Gross										
Balance as at April 1, 2017	**4,977.21**	**615.29**	**11,374.42**	**1,350.30**	**41,250.76**	**303.94**	**103.57**	**128.34**	**1.88**	**60,105.71**
Additions	0.67	-	1,033.26	140.49	3,883.14	31.16	166.03	8.59	-	5,263.34
Disposals	(1.57)	-	(4.34)	-	(32.12)	-	-	(14.67)	-	(52.70)
Balance as at March 31, 2018	**4,976.31**	**615.29**	**12,403.34**	**1,490.79**	**45,101.78**	**335.10**	**269.60**	**122.26**	**1.88**	**65,316.35**
Additions	-	-	355.83	-	1,771.19	68.76	161.34		-	2,357.12
Disposals	-	-	(114.91)	-	(198.19)	-	-	(14.34)	-	(327.44)
Balance as at March 31, 2019	**4,976.31**	**615.29**	**12,644.26**	**1,490.79**	**46,674.78**	**403.86**	**430.94**	**107.92**	**1.88**	**67,346.03**
II. Accumulated depreciation/amortisation										
Balance as at April 1, 2017	**-**	**2.40**	**415.42**	**27.01**	**2,152.56**	**110.41**	**3.48**	**36.08**	**0.05**	**2,747.41**
Depreciation / amortisation expenses for the year	-	2.40	458.17	44.82	2,195.73	70.83	38.33	12.94	0.04	2,823.26
Disposals	-	-	-	-	(31.40)	-	-	(12.83)	-	(44.23)
Balance as at March 31, 2018	**-**	**4.80**	**873.59**	**71.83**	**4,316.89**	**181.24**	**41.81**	**36.19**	**0.09**	**5,526.44**
Depreciation / amortisation expenses for the year	-	2.40	452.90	48.85	2,343.05	91.96	47.00	19.16	-	3,005.32
Disposals	-	-	(11.57)	-	(48.06)	-	-	(13.62)	-	(73.25)
Balance as at March 31, 2019	**-**	**7.20**	**1,314.92**	**120.68**	**6,611.88**	**273.20**	**88.81**	**41.73**	**0.09**	**8,458.51**
Net (I-II)										
Balance as at March 31, 2018	**4,976.31**	**610.49**	**11,529.75**	**1,418.96**	**40,784.89**	**153.86**	**227.79**	**86.07**	**1.79**	**59,789.91**
Balance as at March 31, 2019	**4,976.31**	**608.09**	**11,329.34**	**1,370.11**	**40,062.90**	**130.66**	**342.13**	**66.19**	**1.79**	**58,887.52**

Amount Pertaining to the lease hold land and building comprised in the Fixed Assets Schedule represented by 252,841 equity shares of Rs.10/- each of Section 8 Company and Leave and license agreement.

3B The Company entered into an agreement to sell dated March 30, 2011 with Shiva Tex Yarn Limited for the sale of part of land situated at Velvarkottai, Dindigul and Kodangipalayam, Karanampet, Coimbatore, valued at Rs.5,672,085/-. Accordingly the said amount is disclosed as assets held for sale.

Notes to the Standalone financial statements for the year ended March 31, 2019

Non - current assets

4 Financial assets

4.1 Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
I. Quoted investments (fully paid)		
Investments in equity instruments - others		
i) 250 (As at March 31, 2018 - 250) equity shares of Rs.10/- each in Bannari Amman Sugars Limited	3.82	4.84
ii) 34 (As at March 31, 2018 - 17) equity shares of Rs.10/- each in Moil Limited (includes 17 bonus shares allotted)	0.03	0.03
Total quoted investments	**3.85**	**4.87**
II. Unquoted investments (fully paid)		
I. Investments in equity instruments - subsidiaries		
i) 3,34,49,112 (As at March 31, 2018 - 3,34,49,112) equity shares of Rs.10/- each in Young Brand Apparel Private Limited	2,606.00	2,606.00
ii) 10,000 (As at March 31, 2018 - 10,000) equity shares of Rs.10/- each in Accel Apparels Private Limited (Wholly owned subsidiary)	1.00	1.00
iii) 1,00,000 (As at March 31, 2018 - 1,00,000) equity shares of Rs. 10/- each in Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited) (Wholly owned subsidiary)	10.00	10.00
iv) 10,000 (PY Nil) equity shares of Rs.10/- each in Bannari Amman Retails Private Limited (Wholly owned subsidiary)	1.00	-
V) 10,000 (PY Nil) equity shares of Rs.10/- each in Bannari Amman Trendz Private Limited (Wholly owned subsidiary)	1.00	-
II. Investments - others		
i) 54,740 (As at March 31, 2018 - 54,740) Preference shares of Anamallais Agencies Private Limited of Rs.100 each	58.57	58.57
ii) 6,443 (As at March 31, 2018 - 6,443) Preference Shares of Shiva Automobile Private Limited of Rs. 100 each	5.10	5.10
iii) Nil (As at March 31, 2018 - 1,123) Preference Shares of Kandiamman Properties & Holdings Private Limited of Rs.100 each	-	0.89
iv) Nil (As at March 31, 2018 - 34,137) Preference Shares of Kandiamman Realtors & Developers Private Limited of Rs.100 each	-	27.05
v) 15,000 (As at March 31, 2018 - 15,000) Equity shares of Rs.10/- each in OPG Metal Power Private Limited	1.50	1.50
vi) 1,66,900 (As at March 31, 2018 - 1,45,200) Equity shares of Rs.10/- each in OPG Power Generation Private Limited	18.81	16.31

Notes to the Standalone financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
III. Investments in Government securities - Kisan Vikas Patra	0.03	0.03
Total unquoted investments	**2,703.01**	**2,726.45**
Total Investments	**2,706.86**	**2,731.32**
Aggregate amount of quoted investments	3.85	4.87
Aggregate market value of quoted investments	3.85	4.87
Aggregate amount of unquoted investments	2,703.01	2,726.45
Aggregate market value of unquoted investments	2,703.01	2,726.45

5 Other non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits paid	404.60	602.31
Capital advances	134.17	61.02
Other advances	248.89	177.81
Advance tax and tax deducted at Source (Net) (Refer note below)	513.93	131.56
Total - Other non-current assets	**1,301.59**	**972.70**
Note :		
Advance tax and tax deducted at Source (Net) comprises :		
Current year	347.81	(72.07)
Previous years	166.12	203.63
Total	**513.93**	**131.56**

Current Assets

6 Inventories

(At lower of cost and net realisable value)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	13,690.83	17,461.06
Work-in-progress	1,442.74	3,368.18
Finished goods	9,661.06	6,075.79
Stores and spares	738.76	695.05
Total - Inventories	**25,533.39**	**27,600.08**

Notes to the Standalone financial statements for the year ended March 31, 2019

7 Financial assets

7.1 Trade receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A) Trade receivable considered good - Unsecured	17,697.70	11,443.70
B) Trade receivable - Credit impaired	657.17	605.04
	18,354.87	12,048.74
Less: Allowance for doubtful trade receivables	(657.17)	(605.04)
Total - Trade receivables	**17,697.70**	**11,443.70**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

	Ageing		
	1-90 days	**91-180 days**	**> 180 days**
Exports customers			
Default rate	-	-	20.73%
PY	9.00%	20.00%	25.00%
Domestic customers			
Default rate	1.09%	8.30%	17.73%
PY	0.50%	8.00%	18.00%

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	605.04	573.74
Movement in expected credit loss on trade receivables calculated at lifetime expected credit losses	52.13	236.77
Provision no longer required written back	-	(205.47)
Balance at the end of the year	**657.17**	**605.04**

Notes to the Standalone financial statements for the year ended March 31, 2019

7.2 Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Cash on hand	7.96	18.01
b) Cheques/drafts on hand	161.00	73.00
c) Balances with banks :		
i) In current accounts	397.32	809.56
ii) In earmarked accounts		
- Margin money deposits	262.00	-
- Unpaid dividend accounts	2.75	2.17
Total - Cash and cash equivalents	**831.03**	**902.74**
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 Cash Flow Statements	566.28	900.57

7.3 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Employee advance	30.94	22.29
Total - Loans	**30.94**	**22.29**

7.4 Other financial assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Accruals :		
- Interest accrued on fixed deposits with banks	2.76	-
- TUF subsidy receivable	231.95	175.34
- Incentive/grant receivable	531.00	531.00
- Unbilled revenue (Refer Note (i) below)	422.09	547.89
Insurance claim receivable	46.01	-
Derivative financial instruments	241.02	12.36
Total - Other financial assets	**1,474.83**	**1,266.59**

Note (i) Movement in unbilled revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	547.89	52.96
Add: Revenue recognised during the year	422.09	547.89
Less: Invoiced during the year	458.93	-
Less: Reversal / adjustments during the year	88.96	52.96
Closing Balance	**422.09**	**547.89**

Notes to the Standalone financial statements for the year ended March 31, 2019

8 Other Assets

(Unsecured and considered good, unless stated otherwise)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	441.01	587.97
Balances with government authorities:		
- Duty drawback receivable	225.91	221.32
- GST receivable	1,102.43	1,411.20
- ESI liquidated damage	7.58	-
Gratuity	17.22	-
Advance to suppliers	1,539.88	1,556.56
Total - Other assets	**3,334.03**	**3,777.05**

9 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
a) Authorised :				
i) Equity share capital				
Equity shares of Rs.10/- each	1,60,00,000	1,600.00	1,60,00,000	1,600.00
ii) Preference share capital				
Cumulative preference shares of Rs.100/- each	50,000	50.00	50,000	50.00
Total	**1,60,50,000**	**1,650.00**	**1,60,50,000**	**1,650.00**
b) Issued, subscribed and fully paid-up :				
i) Equity share capital				
Equity shares of Rs. 10/- each	1,57,54,269	1,575.43	1,57,54,269	1,575.43
Total - Equity share capital	**1,57,54,269**	**1,575.43**	**1,57,54,269**	**1,575.43**

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
Equity shares of Rs. 10/- each				
At the beginning of the year	1,57,54,269	1,575.43	1,57,54,269	1,575.43
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,57,54,269**	**1,575.43**	**1,57,54,269**	**1,575.43**

ii) Terms / rights attached to the equity shares :

The Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. 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.

Notes to the Standalone financial statements for the year ended March 31, 2019

iii) Distributions made and proposed:

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2018 was Rs 1.60 per share.

The Board of Directors at its meeting held on May 30, 2018 had recommended a dividend of 16% (Rs.1.60 per equity share of par value Rs 10 each). The proposal was approved by shareholders at the Annual General Meeting held on September 24, 2018, this has resulted in a cash outflow of Rs.303.88 lakhs, inclusive of corporate dividend tax of Rs.51.81 lakhs. Further, the Board of Directors at its meeting held on May 30, 2019 have proposed a dividend of 16% (Rs.1.60 per equity share of par value of Rs 10 each).

iv) Details of shareholders holding more than 5% of the share capital :

Equity Shares

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
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%

10 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	7,930.76	7,930.76
Closing balance	**7,930.76**	**7,930.76**
2. General reserve		
This represents appropriation of profit by the Company.		
Opening balance	16,295.22	16,295.22
Closing balance	**16,295.22**	**16,295.22**
3. Retained earnings		
Retained earnings comprise of the Company's prior years undistributed earnings after taxes.		
Opening balance	3,515.45	3,122.84
Add : Profit for the current year	1,934.09	733.98
Less : Cash dividends	(252.07)	(283.58)
Less : Tax on dividends	(51.81)	(57.79)
Closing balance	**5,145.66**	**3,515.45**
4. Other Comprehensive Income		
Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and financial liabilities and remeasurement of net defined benefit liability/asset.		
Opening balance	(28.35)	(30.82)
Add : Movement during the year	(9.29)	2.47
Closing balance	**(37.64)**	**(28.35)**
Total - Other equity (1 + 2 + 3 + 4)	**29,334.00**	**27,713.08**

Notes to the Standalone financial statements for the year ended March 31, 2019

Non current liabilities :

11 Financial Liabilities

11.1 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Term Loans - Secured (Refer Notes below)		
- From banks	20,143.32	24,348.32
- From others	1,335.92	1,200.52
Total - Borrowings	**21,479.24**	**25,548.84**

Notes :

Details of terms of repayment and security provided in respect of secured term loans :

Particulars	As at March 31, 2019	As at March 31, 2018
i) ICICI Bank Limited- Rupee term loan 2	1,697.52	2,437.50
ICICI Bank Limited- Rupee term loan 3	2,883.34	3,000.00
Less : Current maturities of long-term debt	(1,691.60)	(1,500.00)
Total	**2,889.26**	**3,937.50**

Security :

Term Loan 2 : First Pari passu charge on the entire property, plant and equipment of Spinning Unit I located at Vadamadurai, Dindigul along with other Banks and exclusive charge on the specific plant & machinery of weaving unit.

Term loan 3 : First charge on the entire property, plant and equipment of Spinning Unit I situated at Dindigul on pari passu basis along with other banks and exclusive charge on the windmills (Land, Building, Plant & Machinery) of the Company with an aggregate installed capacity of 16.2 MW located at Chinnaputhur village, Tirupur District and Irukkandurai Village, Tirunelveli District.

Repayment:

Term Loan 2 : 16 quarterly instalments starting from July 2017.

Term Loan 3 : 16 quarterly instalments starting from July 2018.

Rate of Interest :

Term loan 2 : 10.5%.

Term loan 3 : 10%.

Notes to the Standalone financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
ii) Indian Bank - Rupee Term Loan	1,344.92	1,730.91
Less: Current maturities of long term debt	(376.00)	(376.00)
Total	**968.92**	**1,354.91**

Pari-passu 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 February 2014.

Rate of Interest : 11.45%

Particulars	As at March 31, 2019	As at March 31, 2018
iii) Indian Bank - Rupee term loan	7,411.00	8,350.00
Less: Current maturities of long term debt	(1,500.00)	(936.00)
Total	**5,911.00**	**7,414.00**

Pari-passu first charge by way of equitable mortgage of factory land and building of spinning, weaving, knitting, processing and garment divisions of the Company along with other banks.

Repayment : 32 Quarterly instalments starting from June 2016.

Rate of Interest : 11.45%

Particulars	As at March 31, 2019	As at March 31, 2018
iv) Indian Bank - Rupee term loan	4,331.99	4,560.00
Less: Current maturities of long term debt	(228.00)	(228.00)
Total	**4,103.99**	**4,332.00**

Pari-passu first charge by way of equitable mortgage of factory land and building of spinning, weaving, knitting, processing and garment divisions of the Company along with other banks.

Repayment :32 Quarterly instalments starting from June 2018.

Rate of Interest : 11.00%

Particulars	As at March 31, 2019	As at March 31, 2018
v) DCB Bank Limited - Term loan	2,444.91	2,500.00
Less: Current maturities of long term debt	(718.72)	(119.05)
Total	**1,726.19**	**2,380.95**

Exclusive charge over windmills of 7.20 MW capacity located at Melkaraipatti & Kottathurai Village, Palani Taluk, Dindigul Dist.

Repayment : 42 Monthly instalments starting from March 2019.

Rate of Interest : 9.34%

Notes to the Standalone financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
vi) Axis Bank - Term loan	2,192.12	2,300.00
Less: Current maturities of long term debt	(237.12)	(100.00)
Total	**1,955.00**	**2,200.00**

Exclusive charge on windmill unit IV & V assets of 6.55 MW capacity situated at Chinnapudur Village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamilnadu.

Repayment : 24 Quarterly instalments starting from December 2018.

Rate of Interest : 10.45%.

Particulars	As at March 31, 2019	As at March 31, 2018
vii) Indian overseas Bank - Term loan	2,963.31	2,728.96
Less: Current maturities of long term debt	(374.35)	-
Total	**2,588.96**	**2,728.96**

Paripassu first charge on property, plant and equipment of Spinning Mill Unit I located at Nadukandanur Pirivu, Vadamadurai, Dindigul and Paripassu first charge on fixed asets of Spinning Mill Unit II located at Velavarkottai, Trichy Highway 45, Vedasandur TK, Dindigul - 624803 along with other banks.

Repayment : 32 Quarterly instalments starting from April 2019.

Rate of Interest : 10.95%

Particulars	As at March 31, 2019	As at March 31, 2018
viii) Palladam Hi-Tech Weaving Park	47.84	53.11
Less: Current maturities of long term debt	(23.61)	(22.07)
Total	**24.23**	**31.04**

First charge on fixed assets acquired out of loan of Garment Unit located at Palladam Hi-Tech Weaving Park, Sukkampalayam Village, K.N.Puram (Po), Palladam.

Repayment : 120 Monthly instalments starting from April 2010.

Rate of Interest : 0.75% .

Particulars	As at March 31, 2019	As at March 31, 2018
ix) SIPCOT Soft Loan	2,554.90	2,554.90
Less: Government grant (Refer note (ii) below)	(1,243.21)	(1,385.42)
Total	**1,311.69**	**1,169.48**

i) 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 paripassu with other banks and property, plant and equipment of the expansion scheme of spinning units located at Velvarkottai Village, Dindigul, Weaving unit and knitting unit at Karanampet, Coimbatore.

Notes to the Standalone financial statements for the year ended March 31, 2019

ii) The Government of Tamil Nadu in its order: G.O. Ms. No. 126, dated October 20, 2009, has granted an amount equivalent to net output VAT + CST paid through expansion project to Government as Investment Promotion Soft Loan for a period of 10 years, subject to terms and conditions mentioned in the Eligibility Certificate ID/SPA/BSML/2010 dated 30 April 2013. The soft loan will carry a nominal rate of 0.1% per annum. The soft loan sanctioned is repayable on the 10th year from the date of sanction. This is considered as Government grant and accordingly the loan amount is carried at amortised cost considering an effective interest rate of 12.16%. The Government grant income is recognised proportionately in relation to the interest expense.

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current borrowings - Total	21,479.24	25,548.84
Current maturities of long term borrowings - Total	5,149.40	3,281.12
Total	**26,628.64**	**28,829.96**

12. Other liabilities

Government grant - SIPCOT soft loan (Refer note 11.1)	1,083.25	1,243.21
Total - Other liabilities	**1,083.25**	**1,243.21**

Current Liabilities

13 Financial Liabilities

13.1 Borrowings

a) Working capital loan from banks (Secured) (Refer Note 1 below)	37,643.06	34,258.72
b) Working capital loan from banks (Un-secured/Residual) (Refer Note 2 below)	2,553.27	972.93
Total - Borrowings	**40,196.33**	**35,231.65**

Note : 1 - Secured loans

i) The Karur Vysya Bank Limited	1,101.77	1,718.75

Working Capital Limit: Rs.1,250 Lakhs

Security : Pari passu first charge on the entire current asset of Spinnng Unit I situated at Nadukandanur pirivu, Morepatty Post, Vadamadurai, Dindigul along with other banks. Paripassu second charge on the entire property, plant and equipment of the Spinning Unit I.

ii) Corporation Bank	5,011.44	3,458.50

Working Capital Limit: Rs. 5,250 Lakhs

Security: Paripassu first charge on the entire current asset of Spinning Unit I, II and Weaving Unit along with other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit I, II and Weaving units.

Notes to the Standalone financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
iii) ICICI Bank Limited	2,199.54	5,382.00

Working Capital Limit: Rs.2,500 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 of spinning unit I for limit upto Rs. 2,500 Lakhs on paripassu basis with other banks.

iv) Oriental Bank of Commerce	6,583.90	5,481.82

Working Capital Limit: Fund based limit : Rs. 6,000 Lakhs Non-fund based limit : Rs. 2,500 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit II, Garment and Processing Units along with other banks. Paripassu second charge on the entire fixed assets of Spinning Unit II, Garment and Processing Units.

v) Indian Oversease Bank	12,408.97	8,497.91

Working Capital Limit: Fund based limit : Rs. 10,000 Lakhs Non-fund based limit : Rs. 2,500 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit II and Knitting Unit along with other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit II and Knitting Unit.

vi) Bank of Maharashtra	980.45	1,273.20

Working Capital Limit: Fund based limit : Rs. 1,000

Security : Paripassu first charge on the entire current assets of processing unit. Paripassu second charge on the entire property, plant and equipment of processing unit.

vii) Allahabad Bank	3,352.61	4,041.83

Working Capital Limit : Rs.3,700 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit II & Garment Unit along with other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit II & Garment Unit.

viii) Bank of Bahrain & Kuwait B.S.C.	1,982.23	471.02

Working Capital Limit: Rs. 2,000 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit Ialong with other banks. Paripassu second charge on the entire fixed assets of Spinning Unit I.

ix) Indian Bank	1,546.40	1,433.70

Working Capital Limit: Rs. 3,000 Lakhs

Security : First Charge by way of Hypothecation of Raw materials, Stock-in-trade, Finished goods of the Garment Division. Second charge on the property, plant and equipment of the Garment Division.

x) DCB Bank Limited	2,475.75	2,500.00

Working Capital Limit: Rs. 2,500 Lakhs

Security : Extension of charge on Windmills of 7.20 MW capacity offered as prime security for Term Loan.

Notes to the Standalone financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Note : 2 - Unsecured / Residual loans

Particulars	As at March 31, 2019	As at March 31, 2018
Kotak Mahindra Bank	-	472.93

Working Capital Limit: Rs. 3,000 Lakhs

HDFC Bank Limited	-	500.00

Working Capital Limit: Rs. 2,500 Lakhs

ICICI Bank Limited	2,553.27	-

Working Capital Limit: Rs. 3,500 Lakhs

13.2 Trade payables

Total outstanding dues of micro and small enterprises (Refer Note 24)		
- For raw materials	735.51	-
- For others	40.45	-
Total outstanding dues of creditors other than micro and small enterprises		
- For raw materials	4,864.94	6,128.11
- For others	3,280.96	3,830.81
Total - Trade payables	**8,921.86**	**9,958.92**

13.3 Other financial liabilities

Current maturities of long-term debt	5,149.40	3,281.12
Interest accrued on borrowings	163.45	184.20
Unpaid dividend	2.75	2.18
Security deposits received	90.86	70.16
Contractually reimbursible expenses	7.28	100.00
Payables on purchase of property, plant and equipment	24.50	37.54
Total - Other financial liabilities	**5,438.24**	**3,675.20**

14 Provisions

a) Provision for employee benefits		
- Provision for compensated absences	24.65	8.75
- Provision for bonus	219.32	113.15
b) Provision for income tax (Net)	309.00	-
Total - Provisions	**552.97**	**121.90**

Notes to the Standalone financial statements for the year ended March 31, 2019

15 Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	118.55	89.63
Liability towards funded gratuity scheme	-	1.60
Advances from customers	362.07	263.71
Advance received towards sale of property, plant and equipment	94.30	94.30
Government grant - SIPCOT soft loan (Refer note 11.1)	159.96	142.21
Total - Other current liabilities	**734.88**	**591.45**

16 Revenue from operations

1. Disaggregated Revenue Information

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected. Accordingly, the disaggregation by type of goods / services and by geographical location of customers is provided in the table below:

A. Revenue by products/services

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Sale of goods/services		
a. Manufactured goods		
Yarn	54,416.80	43,871.81
Fabrics	33,798.62	31,898.74
Waste cotton	5,692.72	4,884.75
Garments	1,451.91	2,574.02
b. Traded goods		
Yarn	41.03	1,315.72
Cotton	139.88	95.06
c. Income from services provided - Sizing charges, CMT charges, Knitting & Processing charges	2,940.72	2,611.48
b) Other operating revenues	1,501.10	1,952.31
Total - Revenue from operations	**99,982.78**	**89,203.89**

The Company disaggregate the revenue based on geographic locations and it is disclosed under note 26 'Segment reporting'.

Notes to the Standalone financial statements for the year ended March 31, 2019

17 Other Income

(Rs. in Lakhs)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
a)	Interest income (Refer Note 1 below)	137.13	84.35
b)	Dividend income from non-current non-trade investments	-	0.03
c)	Net gain on foreign currency transactions and translation	611.27	113.35
d)	Other non-operating income (Refer Note 2 below)	131.98	382.10
	Total - Other income	**880.38**	**579.83**

Note

1)	Interest income from financial assets at amortised cost comprises:		
	Interest on overdue trade receivables	102.75	-
	Interest on security deposits	22.52	84.35
	Interest from others	11.86	-
	Total - Interest income	**137.13**	**84.35**
2)	Other non-operating income comprises:		
	Profit on sale of investment (Net)	7.32	-
	Profit on sale of property plant and equipment (Net)	62.06	45.03
	Revenue grant and incentives	-	333.00
	Miscellaneous income	62.60	4.07
	Total - Other non-operating income	**131.98**	**382.10**

18 A Cost of materials consumed

Opening stock	17,461.06	13,736.96
Add : Purchases	65,517.69	67,274.59
	82,978.75	81,011.55
Less : Closing stock	(13,690.83)	(17,461.06)
Total - Cost of materials consumed	**69,287.92**	**63,550.49**

18 B Purchase of stock-in-trade

Purchase of stock-in-trade	110.75	1,227.37
Total - Purchase of stock-in-trade	**110.75**	**1,227.37**

Notes to the Standalone financial statements for the year ended March 31, 2019

19 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year :		
Finished goods	9,661.06	6,075.79
Work-in-progress	1,442.74	3,368.18
Stock-in-trade	-	-
Total	**11,103.80**	**9,443.97**
Inventories at the beginning of the year :		
Finished goods	6,075.79	4,462.43
Work-in-progress	3,368.18	969.56
Stock-in-trade	-	51.20
Total	**9,443.97**	**5,483.19**
Net (increase) / decrease	**(1,659.83)**	**(3,960.78)**

20 Employee benefits expense

Salaries, wages and bonus	7,757.13	7,343.13
Contributions to provident and other funds	277.51	344.89
Staff welfare expenses	1,096.08	537.52
Total - Employee benefits expense	**9,130.72**	**8,225.54**

21 Finance Costs

a) Interest expense on financial liabilities at amortised cost :		
- Borrowings (Refer note 30)	5,884.73	5,294.77
b) Other borrowing costs	351.01	391.72
Total - Finance costs	**6,235.74**	**5,686.49**

22 Other Expenses

Consumption of stores and spare parts	33.90	341.07
Manufacturing expenses	103.31	53.70
Consumption of packing materials	899.82	910.40
Power, fuel and water charges	5,563.04	4,292.68
Rent including lease rentals	119.97	117.79
Repairs and maintenance - Building	116.05	85.83
Repairs and maintenance - Machinery	2,305.13	1,923.32
Repairs and maintenance - Others	255.29	241.14
Insurance	347.17	345.51

Notes to the Standalone financial statements for the year ended March 31, 2019

22 Other Expenses (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rates and taxes	418.43	381.71
Communication expenses	59.97	72.79
Travelling and conveyance	280.94	278.48
Printing and stationery	55.61	60.45
Freight and forwarding charges	939.73	1,168.71
Sales commission	821.77	919.84
Quality claim	66.14	(17.17)
Hank yarn obligation	20.78	14.42
Business promotion expenses	60.99	22.68
Donation	0.80	2.65
Legal and professional charges	218.92	156.48
Payments to auditors (Refer note 1 below)	22.50	22.50
Corporate social responsibility	5.22	21.32
Provision for bad and doubtful debts	52.13	31.30
Bad debts written off	1.14	-
Loss on sale of investment	-	5.26
Miscellaneous expenses	76.63	14.92
Total - Other expenses	**12,845.38**	**11,467.78**

Note 1 - Payments to auditors :

Payments to auditors comprises		
- Statutory audit fees	16.50	16.50
- Limited review fees	6.00	6.00
Total - Payments to auditors	**22.50**	**22.50**

Note -2 Operating lease disclosure :

As Lessor : The company has entered into operating lease arrangements for certain surplus facilities. The lease is cancellable and are usually renewable by mutual consent on mutually agreeable terms. Lease income recognised in the Statement of Profit and Loss.	120.00	120.00
As Lessee : The company has entered into operating lease arrangements for premises like (factories, administrative office, sales depots and godowns etc.,). These leasing arrangements are cancellable and are usually renewable by mutual consent on mutually agreeable terms. Lease payments recognised in the Statement of Profit and Loss.	119.97	117.79

Notes to the Standalone financial statements for the year ended March 31, 2019

Additional information to the financial statement

23 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
i) Contingent liabilities :		
a) Income tax demands, pending in appeal	-	29.97
b) Central Excise demands, pending in appeal	112.58	144.03
c) Sales tax demands, pending in appeal	-	134.15
d) TANGEDCO demands, pending in appeal	1,046.30	916.81
e) Corporate guarantee (on behalf of Young Brand Apparel Private Limited)	12,515.00	11,826.00
ii) Commitments :		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	1,500.00	1,250.00

24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	775.96	-
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Notes to the Standalone financial statements for the year ended March 31, 2019

25 Employee benefits plans

25.1.a Defined contribution plans - provident fund and employee state insurance

The Company makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Provident fund	220.29	288.24
Employee state insurance	85.71	75.76

25.1.b Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 20 Employee benefits expense. Under this plan, the settlement obligation remains with the Company.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows :

a) **Interest Rate Risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

b) **Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

c) **Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

d) **Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019 by Ms. Priyanka Shah, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the Standalone financial statements for the year ended March 31, 2019

25 Disclosures under Accounting Standards (Contd...)

The following table sets out the funded status of the gratuity scheme: (Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Components of employer expense		
Current service cost	45.59	38.48
Past service cost	21.76	21.76
Interest cost	29.04	23.66
Expected return on plan assets	(39.17)	(27.25)
Recognised in statement of profit and loss	57.22	56.65
Re-measurement - actuarial (gain)/loss recognised in OCI	11.19	(3.57)
Total expense recognised in the Statement of total comprehensive income	**68.41**	**53.08**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	28.46	77.12
Actuarial (gain)/loss due to DBO assumption changes	1.57	(83.22)
Actuarial (gain)/loss arising during period	30.03	(6.10)
Actual return on plan assets (greater)/less interest on plan assets	(18.84)	2.53
Actuarial (gains)/ losses recognized in OCI	11.19	(3.57)
Defined Benefit Cost		
Service cost	67.35	38.48
Net interest on net defined benefit liability / (asset)	(10.13)	(3.59)
Actuarial (gains)/ losses recognized in OCI	11.19	(3.57)
Defined benefit cost	68.41	31.32
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	377.14	312.78
Current service cost	45.59	38.48
Past service cost	21.76	21.76
Interest cost	29.04	23.66
Actuarial (gains) / losses	30.03	(6.10)
Benefits paid	(42.82)	(13.44)
Present value of DBO at the end of the year	**460.74**	**377.14**
Actual contribution and benefit payments for year		
Actual benefit payments	42.82	13.44
Actual contributions	87.23	10.00

Notes to the Standalone financial statements for the year ended March 31, 2019

25 Disclosures under Accounting Standards (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Change in fair value of assets during the year		
Plan assets at beginning of the year	375.54	354.26
Expected return on plan assets	39.17	27.25
Actual company contributions	87.23	10.00
Actuarial gain / (loss)	18.84	(2.53)
Benefits paid	(42.82)	(13.44)
Plan assets at the end of the year	**477.96**	**375.54**
Actual return on plan assets	58.01	24.72
Current and Non-Current Asset / Liability portion		
Current (Asset) / Liability	(17.22)	1.60
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligation	460.74	377.14
Fair value of plan assets	477.96	375.54
Funded status (Surplus / (Deficit))	**17.22**	**(1.60)**
Net asset / (liability) recognised in the Balance Sheet	**17.22**	**(1.60)**
Composition of the plan assets is as follows :		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
Total	**477.96**	**375.54**

*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.

Actuarial assumptions		
Discount rate	7.70%	7.73%
Attrition rate	3% to 1%	3.00%
Salary escalation	5.00%	6.00%

25 Disclosures under Accounting Standards (Contd...)

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

(Rs. in Lakhs)

Gratuity Plan	As at March 31, 2019	As at March 31, 2018
Estimate value of obligation if discount rate is taken 1% higher	412.67	342.19
Estimated value of obligation if discount rate is taken 1% lower	518.61	419.04
Estimate value of obligation if salary growth rate is taken 1% higher	519.63	417.89
Estimate value of obligation if salary growth rate is taken 1% lower	411.12	342.47
Estimate value of obligation if attrition rate is taken 1% higher	468.68	381.50
Estimate value of obligation if attrition rate is taken 1% lower	452.17	377.29

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at March 31, 2019	As at March 31, 2018
1	50.75	19.58
2	16.02	23.68
3	20.26	21.90
4	33.06	17.11
5	15.15	15.53
Above 5	132.57	100.26

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes to the Standalone financial statements for the year ended March 31, 2019

26 Segment Reporting

a) Primary business segment information

The Company's operations relate to only one business segment, viz., Textiles. Accordingly, this is the only reportable business segment.

b) Secondary geographic segment information

(Rs. in Lakhs)

Geographic Segment		Revenue	Segment assets	Capital expenditure incurred
Outside India	March 31, 2019	23,195.40	3,015.06	-
	March 31, 2018	34,228.70	2,012.76	-
India	March 31, 2019	76,787.38	108,457.55	2,357.12
	March 31, 2018	54,975.19	106,524.54	5,263.34
Unallocated	March 31, 2019	-	513.93	-
	March 31, 2018	-	131.56	-
Total	**March 31, 2019**	**99,982.78**	**111,986.54**	**2,357.12**
	March 31, 2018	**89,203.89**	**108,668.86**	**5,263.34**

Note : Segment Assets represent Assets in respective segments. Tax related assets cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

27 Related party transactions

a) Details of Related parties :

Description of relationship	Name of related parties
Subsidiaries	Accel Apparels Private Limited Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited) Young Brand Apparel Private Limited (From July 6, 2017) Bannari Amman Retails Private Limited (From December 14, 2018) Bannari Amman Trendz Private Limited (From February 21, 2019)
Joint Venture	Young Brand Apparel Private Limited (Till July 5, 2017)
Enterprises in which the Key management Personnel or relatives have significant influence	Shiva Texyarn Limited (Till November 9, 2018) Anamallais Automobiles P Ltd Shiva Automobiles Private Limited Shiva Mills Limited (Till November 9, 2018) Vedanayagam Oil Company Sakthi Murugan Transports Limited
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director Sri N Krishnaraj, Company Secretary Sri C S Balakumar, Chief Financial Officer (Demised on 10 June, 2018) Sri S Seshadri, Chief Financial Officer (From 27 June, 2018)
Relative of KMP	Sri A Senthil - Chief Executive Officer

Notes to the Standalone financial statements for the year ended March 31, 2019

b) **Details of transactions during the year and balance outstanding as at balance sheet date:** (Rs. in Lakhs)

Particulars	Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018
Transactions during the year:			
Purchase of yarn	Shiva Mills Limited (Till November 9, 2018)	-	205.87
	Shiva Texyarn Limited (Till November 9, 2018)	125.41	178.55
Sale of yarn	Shiva Texyarn Limited (Till November 9, 2018)	0.85	10.77
	Young Brand Apparel Private Limited	503.61	20.72
	Shiva Mills Limited (Till November 9, 2018)	151.36	-
Sale of fabric	Shiva Mills Limited (Till November 9, 2018)	-	2.53
	Shiva Texyarn Limited (Till November 9, 2018)	343.62	758.72
	Young Brand Apparel Private Limited	321.68	194.47
Sale of garments	Bannari Amman Trendz Private Limited	591.02	-
Conversion/Job work charges received	Shiva Texyarn Limited (Till November 9, 2018)	16.87	32.04
	Young Brand Apparel Private Limited	0.53	4.78
Conversion/Job work charges paid	Shiva Texyarn Limited (Till November 9, 2018)	-	0.14
	Shiva Mills Limited (Till November 9, 2018)	-	5.72
Lease rent received	Shiva Texyarn Limited (Till November 9, 2018)	70.00	138.15
Interest received	Young Brand Apparel Private Limited	102.75	-
Lease rent paid for building and machinery	Shiva Texyarn Limited (Till November 9, 2018)	35.00	69.00
Vehicle maintenance paid	Shiva Automobiles Private Limited	7.00	4.19
Processing charges received	Young Brand Apparel Private Limited	274.77	110.71
Processing charges paid	Shiva Mills Limited (Till November 9, 2018)	3.99	-
Purchase of fuel	Vedanayagam Oil Company	3.18	2.23
Rent paid	Anamallais Automobiles P Ltd	6.90	2.11
	Sakthi Murugan Transports Limited	1.06	1.06
Purchase of sundry materials	Shiva Mills Limited (Till November 9, 2018)	-	0.14
Purchase of vehicle	Shiva Automobiles Private Limited	-	7.41
Purchase of canvas	Shiva Texyarn Limited (Till November 9, 2018)	-	0.13
Sale of machinery	Shiva Texyarn Limited (Till November 9, 2018)	-	0.77
Remuneration of KMP	Sri S V Arumugam, Managing Director	77.58	64.67
	Sri N Krishnaraj, Company Secretary	19.59	14.50
	Sri C S Balakumar, Chief Financial Officer (Demised on 10 June, 2018)	2.99	15.40
	Sri S Seshadri, Chief Financial Officer (From 27 June, 2018)	15.75	-
Salary to Relative of KMP	Sri A Senthil, S/o. Sri S V Arumugam, Chief Executive Officer	30.00	30.00

Notes to the Standalone financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2019	As at March 31, 2018
Balances outstanding as at year end :			
Receivables	Shiva Mills Limited (Till November 9, 2018)	44.10	-
	Shiva Texyarn Limited (Till November 9, 2018)	553.44	265.02
	Young Brand Apparel Private Limited	1,604.99	539.69
	Bannari Amman Retails Private Limited	7.08	-
	Bannari Amman Trendz Private Limited	632.97	-
	Accel Apparels Private Limited	1.05	-
(Payables)	Shiva Mills Limited (net)	(19.18)	(24.67)
	Shiva Texyarn Limited (net)	(244.21)	-
	Vedanayagam Oil Company	-	(0.24)
	Sakthi Murugan Transports Limited	(0.09)	(0.09)
	Shiva Automobiles Private Limited	(0.09)	-
	Young Brand Apparel Private Limited	(0.54)	-
	Anamallais Automobiles Private Limited	(0.60)	-
Amount outstanding as at the year end		**2,578.92**	**779.71**

Note : i) There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

ii) Related party relationship is as identified by the Company on the basis of information available with the Company and relied upon by the Auditors.

iii) No amount is/has been written off or written back during the year in respect of debts due from or to related party.

28 Earnings per equity share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity shareholders (Rs. In Lakhs)	1,934.09	733.98
Weighted average number of equity shares (Nos.)	15,754,269	15,754,269
Par value per equity share (Rs.)	10.00	10.00
Earning per share - Basic & Diluted (Rs.)	12.28	4.66

29A Income tax recognised :

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current tax :				
In respect of current year	309.00	-	156.70	-
Deferred tax :				
In respect of current year	(335.93)	(2.91)	(127.11)	1.10
Income tax expense	**(26.93)**	**(2.91)**	**29.59**	**1.10**

Notes to the Standalone financial statements for the year ended March 31, 2019

29 B Movement in deferred tax balances :

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balace
For the year ended March 31, 2019					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	177.29	27.75	-	-	205.04
Provision for compensated absences and gratuity	14.32	72.94	1.81	-	89.07
Minimum alternate tax (net)	5,066.50	234.95	-	-	5,301.45
Others	117.08	(76.26)	1.10	-	41.92
Tax effect of items constituting deferred tax asset	**5,375.19**	**259.38**	**2.91**	**-**	**5,637.48**
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(8,384.37)	76.55	-	-	(8,307.82)
Tax effect of items constituting deferred tax (liability)	**(8,384.37)**	**76.55**	**-**	**-**	**(8,307.82)**
Net Deferred tax asset/(liability)	**(3,009.18)**	**335.93**	**2.91**		**(2,670.34)**
For the year ended March 31, 2018					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	177.29	-	-	-	177.29
Provision for compensated absences, gratuity and others	15.42	-	(1.10)	-	14.32
Minimum alternate tax (net)	4,894.50	172.00	-	-	5,066.50
Others	117.08	-	-	-	117.08
Tax effect of items constituting deferred tax asset	**5,204.29**	**172.00**	**(1.10)**	**-**	**5,375.19**
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property, plant and equipment	(8,339.48)	(44.89)	-	-	(8,384.37)
Tax effect of items constituting deferred tax (liability)	**(8,339.48)**	**(44.89)**	**-**	**-**	**(8,384.37)**
Net Deferred tax asset/(liability)	**(3,135.19)**	**127.11**	**(1.10)**	**-**	**(3,009.18)**

Notes to the Standalone financial statements for the year ended March 31, 2019

29 C Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**1,907.16**	**763.57**
Enacted income tax rate in India	31.20%	30.90%
Computed expected tax expense	595.03	235.94
Effect on account of income exempt under income tax	-	2.29
Tax incentives and concessions	(167.85)	-
Mat credit entitlement	(309.00)	-
On account of enacted tax rates	(219.16)	-
Write off of minimum alternate tax	74.05	-
Deferred tax relating to earlier years	-	(208.64)
Income tax expense recognised in the statement of profit and loss	**(26.93)**	**29.59**

30 During the year the Company capitalised an amount of Rs. 106.11 lakhs of borrowing cost under property plant and equipment (For the year ended March 31, 2018 Rs. 450 Lakhs). The capitalisation rate considered is 10.25% being the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Notes to the Standalone financial statements for the year ended March 31, 2019

31 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows :

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Amortised cost				
Loans	30.94	22.29	30.94	22.29
Trade receivable	17,697.70	11,443.70	17,697.70	11,443.70
Cash and cash equivalents	831.03	902.74	831.03	902.74
Other financial assets	1,474.83	1,266.59	1,474.83	1,266.59
Investment in Government securities	0.03	0.03	0.03	0.03
FVTOCI				
Investment in equity instruments	3.85	4.87	3.85	4.87
FVTPL				
Investment in equity instruments (unquoted)	2,702.98	2,726.42	2,702.98	2,726.42
Total assets	**22,741.36**	**16,366.64**	**22,741.36**	**16,366.64**
Financial liabilities				
Amortised cost				
Borrowings	66,824.97	64,061.61	66,824.97	64,061.61
Trade payables	8,921.86	9,958.92	8,921.86	9,958.92
Other financial liabilities	288.84	394.08	288.84	394.08
Total liabilities	**76,035.67**	**74,414.61**	**76,035.67**	**74,414.61**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values :

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

Notes to the Standalone financial statements for the year ended March 31, 2019

ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2019 was assessed to be insignificant.

iii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

32 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2019 and March 31, 2018.

(Rs. in Lakhs)

Particulars	As at	Fair value measurement using				
		Date of valuation	Total	Quoted Prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value :						
FVTOCI financial assets designated at fair value :						
Investment in equity instruments (quoted)	March 31, 2019	March 31, 2019	3.85	3.85	-	-
	March 31, 2018	March 31, 2018	4.87	4.87	-	-
Derivative financial instruments	March 31, 2019	March 31, 2019	241.02	241.02	-	-
	March 31, 2018	March 31, 2018	12.36	12.36	-	-
FVTPL financial assets designated at fair value :						
Investment in equity instruments (unquoted)	March 31, 2019	March 31, 2019	2,702.98	-	-	2,702.98
	March 31, 2018	March 31, 2018	2,726.42	-	-	2,726.42

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes to the Standalone financial statements for the year ended March 31, 2019

33 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borowings to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

2) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from top customer	2,100.31	3,089.35
Revenue from top 5 customers	8,116.95	9,732.92

Seven customers accounted for more than 10% of the revenue for the year ended March 31, 2019, however two of the customers accounted for more than 10% of the receivables as at March 31, 2019. Five customers accounted for more than 10% of the revenue for the year March 31, 2018, however two of the customers accounted for more than 10% of the receivables for the year ended March 31, 2018.

3) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

4) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Notes to the Standalone financial statements for the year ended March 31, 2019

The working capital position of the Company is given below :

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2018
Cash and cash equivalents	831.03	902.74
Total	**831.03**	**902.74**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018.

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2019	45,345.73	5558.75	15,920.49
	March 31, 2018	38,512.77	5125.79	20,423.05
Trade payables	March 31, 2019	8,921.86	-	-
	March 31, 2018	9,958.92	-	-
Other financial liabilities	March 31, 2019	288.84	-	-
	March 31, 2018	394.08	-	-

5) **Foreign Currency risk**

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and Euros) and foreign currency borrowings (primarily in U.S. dollars, British pound sterling and Euros). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the management of the Company believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2019 and March 31, 2018:

Particulars	As at	US$	Euro	Pound / Sterling	Total
Assets					
Trade receivables	March 31, 2019	2,026.90	895.08	44.98	2,966.96
	March 31, 2018	1,589.69	793.28	44.98	2,427.95
Liabilities					
Trade payable	March 31, 2019	-	-	-	-
	March 31, 2018	2,226.94	272.33	-	2,499.27
Borrowings	March 31, 2019	5,187.85	-	-	5,187.85
	March 31, 2018	6,154.36	-	-	6,154.36
Net assets/(liabilities)	**March 31, 2019**	**(3,160.95)**	**895.08**	**44.98**	**(2,220.89)**
	March 31, 2018	**(6,791.61)**	**520.95**	**44.98**	**(6,225.68)**

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of significant outstanding trade receivables, borrwoings and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Impact on profit for the year	158.05	339.58

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

6) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner.

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase / (decrease) in the Profit for the year	(620.73)	(562.42)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

7) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Notes to the Standalone financial statements for the year ended March 31, 2019

The capital structure is as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Total equity attributable to the equity share holders of the company	**30,909.43**	**29,288.51**
As percentage of total capital	32%	31%
Current borrowings	40,196.33	35,231.65
Non-current borrowings	26,628.64	28,829.96
Total borrowings	**66,824.97**	**64,061.61**
As a percentage of total capital	**68%**	**69%**
Total capital (borrowings and equity)	**97,734.40**	**93,350.12**

The Company is predominantly debt financed which is evident from the capital structure table.

34 Corporate Social responsibility

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross amount required to be spent by the company during the year	32.43	47.52
Amount spent during the year on		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above.	5.22	21.32

35 Prior year comparatives

Prior year figures have been reclassified wherever necessary to confirm current year's classification

The following reclassifications have been done in the previous year figures to confirm current year classification :

Particulars	Rs. in Lakhs
For the year ended March 31, 2018	
Other operating revenue :	
Sale of scrap	29.40
For the year ended March 31, 2019, disclosed under	
Sale of manufactured goods :	
Fabric sales	29.40
For the year ended March 31, 2018	
Other expenses:	
Consumption of stores and spare parts	64.83
Repairs and Maintenance - Building	5.71
Repairs and Maintenance - Machinery	5.06
For the year ended March 31, 2019, disclosed under	
Other expenses:	
Consumption of packing materials	17.08
Repairs and maintenance - Others	51.02
Printing and stationery	7.50

Notes to the Standalone financial statements for the year ended March 31, 2019

35 Prior year comparatives (Contd...)

Particulars	Rs. in Lakhs
For the year ended March 31, 2018	
Other Financial Liabilities:	
Employee payables	396.02
For the year ended March 31, 2019, disclosed under	
Trade payables:	
For others	396.02

36 Standards / amendments not yet effective

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 'Leases': On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To

The Members of Bannari Amman Spinning Mills Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of BANNARI AMMAN SPINNING MILLS LIMITED ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income). The Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1</td><td>Determination of Net Realisable Value of certain finished goods :

The Parent has inventory of certain finished goods aggregating Rs. 3,045.55 lakhs (Refer Note 6 to the consolidated financial statements) which, as per the accounting policy for valuation of inventory in Note 2.4, are valued at lower ofcost and net realizable value.

Determination of the net realisable value by Management involves certain element of judgment involving consideration of volatility in selling price of garments stock (finished goods), past trends of discounts applied for disposal of old inventory, estimated fashion trends and market conditions, etc.

Any change in the assumptions considered by the Management would result in an impact in the margins in the year of disposal of the inventory or change in assumption.</td><td>Principal audit procedures performed

We have performed the following procedures :

a. Evaluated the design and implementation of the relevant internal controls and the operating effectiveness of such internal controls existing over the process of assumptions considered by the management in determining the net realisable value and assessing if the same is higher than cost or requiring adjustment to cost of such finished goods.

b. Obtained an understanding of the significant judgements applied by the management in determination of the net realizable values of the finished goods and the relevant workings and for sample selected we performed the following procedures:

● Conducted a retrospective test of comparing the net realisable value determined by the management in the previous year with the sale values of such finished goods in the current year to evaluate if the assumptions considered were reasonable.

● Compared the net realisable value determined at the year-end with any instance of sale occurring for such inventory after the year end / latest realization to assess the reasonableness of the assumptions considered by the management.

● Compared the actual costs incurred to sell after the year end / based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management.

● Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at the lower of cost and net realisable value.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements/ financial information of two subsidiaries, whose financial statements / financial information reflect total assets of Rs.10.63 Lakhs as at 31st March, 2019, total revenues of Rs.0.52 Lakhs and net cash outflows amounting to Rs.0.11 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) We did not audit the financial statements / financial information of two subsidiaries whose financial statements / financial information reflect total assets of Rs. 624.70 Lakhs as at 31st March, 2019, total revenues of Rs.0.27 Lakhs and net cash outflows amounting to Rs.4.10 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / financial information of the subsidiaries entities referred to in the Other Matters section above 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 so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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,as amended 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 Group.

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

C.R. Rajagopal
Partner
(Membership No. 23418)

Coimbatore
19th June, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of BANNARI AMMAN SPINNING MILLS LIMITED (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of 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 expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial 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 the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based onthe criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

C.R. Rajagopal
Partner
(Membership No. 23418)

Coimbatore
19th June, 2019

Consolidated Balance Sheet as at March 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	As at March 31,2019	As at March 31,2018
ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	3A	65,890.40	66,891.90
b) Capital work-in-progress	3A	131.93	105.76
c) Other intangible assets	3B	13.39	17.58
d) Financial Assets	4		
i) Investments	4.1	87.87	114.33
e) Deferred tax asset	29B	58.30	119.18
f) Other non-current assets	5	1,365.89	1,034.76
Total Non - Current Assets		**67,547.78**	**68,283.51**
2 Current assets			
a) Inventories	6	31,799.11	32,009.28
b) Financial Assets	7		
i) Trade receivables			
A) Trade receivable considered good - Unsecured	7.1	18,958.93	12,407.18
B) Trade receivable - Credit impaired	7.1	-	-
ii) Cash and cash equivalents	7.2	1,324.90	1,682.00
iii) Loans	7.3	47.94	61.95
iv) Other financial assets	7.4	1,512.81	2,169.12
c) Other assets	8	4,756.42	4,257.11
d) Assets classified as held for sale	3D	56.72	56.72
Total Current Assets		**58,456.83**	**52,643.36**
Total Assets (1+2)		**1,26,004.61**	**1,20,926.87**
EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share capital	9	1,575.43	1,575.43
b) Other Equity	10	29,657.97	27,915.09
Equity attributable to the owners of the Holding Company		**31,233.40**	**29,490.52**
Non-Controlling interest		3,122.38	2,875.75
Total equity		**34,355.78**	**32,366.27**
Liabilities			
2 Non-current liabilities			
a) Financial Liabilities	11		
i) Borrowings	11.1	22,561.27	27,014.02
b) Provisions	12.1	126.27	112.57
c) Deferred tax liabilities (net)	29B	2,893.81	3,232.64
d) Other liabilities	12.2	1,177.94	1,243.21
Total Non - Current Liabilities		**26,759.29**	**31,602.44**
3 Current liabilities			
a) Financial Liabilities	13		
i) Borrowings	13.1	44,377.78	39,491.56
ii) Trade payables			
A) Total outstanding dues of micro & small enterprises	13.2	775.95	-
B) Total outstanding dues of creditors other than micro and small enterprises	13.2	10,454.85	11,535.74
iii) Other financial liabilities	13.3	5,866.34	4,103.29
b) Provisions	14	800.56	269.31
c) Other current liabilities	15	2,614.06	1,558.26
Total Current Liabilities		**64,889.54**	**56,958.16**
Total Equity and Liabilities (1+2+3)		**1,26,004.61**	**1,20,926.87**
See accompanying notes to the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	16	1,17,448.94	1,00,785.78
II	Other Income	17	885.22	597.37
III	**Total Revenue (I + II)**		**1,18,334.16**	**1,01,383.15**
IV	**Expenses**			
	a) Cost of materials consumed	18A	80,350.76	70,171.96
	b) Purchase of traded goods	18B	110.75	1,227.37
	c) Changes in stock of finished goods, work-in-progress and stock-in-trade	19	(2,995.21)	(3,960.78)
	d) Employee benefits expense	20	13,699.08	11,300.64
	e) Finance costs	21	6,715.11	5,998.88
	f) Depreciation and amortisation expenses	3C	3,396.82	3,132.98
	g) Other expenses	22	14,536.92	12,400.36
	Total Expenses		**1,15,814.23**	**1,00,271.41**
V	**Profit before tax (III - IV)**		**2,519.93**	**1,111.74**
VI	Share of net profit from joint venture accounted for using equity method		-	37.66
VII	**Profit before tax (V + VI)**		**2,519.93**	**1,149.40**
VIII	**Tax Expense**			
	1) Current tax			
	a) Current tax		428.49	172.00
	b) Income tax relating to earlier years		-	(15.31)
	2) Deferred tax			
	a) Deferred tax		79.47	187.40
	b) MAT credit		(428.54)	(172.00)
	c) MAT Credit lapsed written off	29A	74.05	-
	Total tax expense		**153.47**	**172.09**
IX	**Profit for the year (VII - VIII)**		**2,366.46**	**977.31**
X	**Other comprehensive income/(loss)**		**(68.41)**	**493.64**
	A i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit liabilities / (asset)		(70.31)	(4.98)
	b) Gain/(loss) on equity instruments designated at FVTOCI		(1.01)	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		2.91	(1.10)
	B i) Items that may be reclassified to profit or loss		-	723.19
	ii) Income tax relating to items that will be reclassified to profit or loss		-	(223.47)
XI	**Total comprehensive income/(loss) for the year (IX + X)**		**2,298.05**	**1,470.95**
	Profits attributable to			
	Non-controlling interest		275.40	100.12
	Owners of the Company		2,091.06	877.19
	Other comprehensive income attributable to			
	Non-controlling interest		(28.77)	(4.16)
	Owners of the Company		(39.64)	497.80
	Total comprehensive income attributable to			
	Non-controlling interest		246.63	95.96
	Owners of the Company		2,051.42	1,374.99
			2,298.05	**1,470.95**
XI	**Earnings per equity share: in Rs.**	28		
	1) Basic		15.02	6.20
	2) Diluted		15.02	6.20
	See accompanying notes to the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Consolidated Statement of changes in equity for the year ended March 31, 2019

(Rs. in Lakhs)

a) Equity share capital	Amount
Balance as at April 1, 2017	1,575.43
Balance as at March 31, 2018	**1,575.43**
Balance as at April 1, 2018	1,575.43
Balance as at March 31, 2019	**1,575.43**

b) Other equity

(Rs. in Lakhs)

Particulars	Securities premium account	General reserve	Retained earnings (Refer Note No. 10)	Items of Other Comprehensive Income: Remeasurements of the defined benefit liabilities/ (asset)	Items of Other Comprehensive Income: Equity instruments through other comprehensive income	Items of Other Comprehensive Income: Other items of other Comprehensive Income (Refer Note No. 34)	Equity attributable to the owners of the Holding Company	Non-Controlling Interest	Total other equity
Balance as at April 1, 2017	**7,930.76**	**16,295.22**	**2,686.32**	**(35.32)**	**4.49**	**-**	**26,881.47**	**-**	**26,881.47**
Profit for the year	-	-	877.19	-	-	-	877.19	100.12	877.19
Cash dividends	-	-	(283.59)	-	-	-	(283.59)	-	(283.59)
Dividend distribution tax	-	-	(57.78)	-	-	-	(57.78)	-	(57.78)
Other comprehensive income (Net of taxes)	-	-	-	(1.92)	-	499.72	497.80	(4.16)	497.80
Others	-	-	-	-	-	-	-	2779.79	-
Balance as at March 31, 2018	**7,930.76**	**16,295.22**	**3,222.14**	**(37.24)**	**4.49**	**499.72**	**27,915.09**	**2875.75**	**27,915.09**
Balance as at April 1, 2018	**7,930.76**	**16,295.22**	**3,222.14**	**(37.24)**	**4.49**	**499.72**	**27,915.09**	**2875.75**	**27,915.09**
Profit for the year	-	-	2,091.06	-	-	-	2,091.06	275.40	2,091.06
Cash dividends (Refer Note 9(iii))	-	-	(252.07)	-	-	-	(252.07)	-	(252.07)
Dividend distribution tax (Refer Note 9(iii))	-	-	(51.81)	-	-	-	(51.81)	-	(51.81)
Other comprehensive income (net of taxes)	-	-	-	(43.29)	(1.01)	-	(44.30)	(28.77)	(44.30)
Balance as at March 31, 2019	**7,930.76**	**16,295.22**	**5,009.32**	**(80.53)**	**3.48**	**499.72**	**29,657.97**	**3,122.38**	**29,657.97**

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Consolidated Cash Flow Statement

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year		**2,519.93**		**1,111.74**
Adjustments for:				
Depreciation and amortisation expenses	3,396.82		3,132.98	
(Profit) / loss on sale / write off of assets	(62.06)		(45.04)	
(Profit) / loss on sale of investments	(7.32)		5.26	
Finance costs	6,715.11		5,998.88	
Interest income	(62.98)		(70.73)	
Dividend income	-		(0.03)	
Allowance for/(reversal of) doubtful trade receivables and advances and bad debts written off	53.27		31.30	
Net unrealised exchange (gain) / loss	(473.97)		23.60	
		9,558.87		9,076.22
Operating profit / (loss) before working capital changes		12,078.80		10,187.96
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Financial Assets				
Trade receivables	(6,557.02)		(1,317.58)	
Loans	14.01		(42.85)	
Other financial assets	961.14		(1,704.07)	
Non-financial assets				
Inventories	210.17		(8,372.19)	
Other assets	(364.49)		(1,054.00)	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(304.94)		7,081.91	
Other financial liabilities	(72.02)		(3,172.77)	
Non-financial liabilities				
Provisions	161.00		216.12	
Other liabilities	1,132.73		626.29	
		(4,819.42)		(7,739.14)
Cash generated from operations		**7,259.38**		**2,448.82**
Net income tax (paid) / refunded		(512.31)		(244.26)
Net cash flow from / (used in) operating activities (A)		**6,747.07**		**2,204.56**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(2,786.72)		(5,148.67)	
Acquistion of subsidiary	-		(304.95)	
Purchase of other investments	(2.49)		(5.69)	
Proceeds from sale of other investments	35.26		75.67	
Margin money deposits	(244.47)		381.60	
Proceeds from disposal of property plant and equipment	345.29		53.52	
Interest received	60.22		91.04	
Dividend received	-		0.03	
Net cash flow from / (used in) investing activities (B)		**(2,592.91)**		**(4,857.45)**

Consolidated Cash Flow Statement Contd..

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	1,060.00		7,060.99	
Repayment of non-current borrowings	(3,601.73)		(6,840.65)	
Increase / (decrease) in working capital borrowings	4,886.22		7,956.21	
Payment of dividend including tax thereon	(303.88)		(341.36)	
Finance costs paid	(6,796.91)		(5,969.19)	
Net cash flow from / (used in) financing activities (C)		**(4,756.30)**		**1,866.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(602.14)**		**(786.89)**
Add: Cash and cash equivalents at the beginning of the year		1,662.29		1,786.32
Cash and cash equivalents acquired on acquisition		-		662.86
Cash and cash equivalents at the end of the year *		**1,060.15**		**1,662.29**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 7.2)		1,324.90		1,682.00
Less: Bank balances not considered as cash and cash equivalents, as defined in Ind AS 7 Cash Flow Statements:				
(i) In earmarked accounts				
- Margin money deposits		(262.00)		(17.53)
- Unpaid dividends account		(2.75)		(2.18)
- Others stamps		-		-
Cash and cash equivalents as per Cash Flow Statement		**1,060.15**		**1,662.29**
* Comprises:				
(a) Cash on hand	10.05		19.46	
(b) Cheques/Drafts on Hand	161.00		73.00	
(c) Balances with banks:				
(i) In current accounts	453.39		968.83	
(ii) In deposit accounts	435.71		601.00	
Total		**1,060.15**		**1,662.29**
See accompanying notes to the consolidated financial statements				

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
1.	**Corporate Information**
	Bannari Amman Spinning Mills Limited (the "Company"/"Holding Company") is a integrated textile company engaged in the manufacture of cotton yarn, knitted & woven fabrics, processing of fabrics, finished garments, home textiles and wind power generation. It also has retail division under the brand name "BITZ". The company was incorporated in the year 1989 and issued shares to the public in the year 2006. In addition the company has investment in subsidiaries which have been collectively referred to as "Group"
2.	**Significant Accounting Policies**
	This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
2.1	**a) Basis of accounting and preparation of financial statements**
	i) Compliance with Ind AS
	The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.
	Except for the changes below, the group has consistently applied accounting policies to all periods.
	The group has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.
	Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The group has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.
	ii) Historical cost convention
	The financial statements have been prepared on a historical cost basis, except for the following: a) certain property plant and equipment, financial assets and liabilities that are measured at fair value and b) defined benefit plans – plan assets measured at fair value c) assets held for sale – measured at fair value less cost to sell
	b) Principles of consolidation and equity accounting
	i) Subsidiaries
	Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.
	The acquisition method of accounting is used to account for business combinations by the group.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The carrying amount of equity accounted investments are tested for impairment.

The consolidated Ind AS financial statements of the Group include subsidiaries/joint ventures which are incorporated in India in the table below:

Name of the entity	As at March 31, 2019	As at March 31, 2018
Young Brand Apparel Private Limited	51.33%	51.33%
Accel Apparels Private Limited	100.00%	100.00%
Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited)	100.00%	100.00%
Bannari Amman Trendz Private Limited	100.00%	-
Bannari Amman Retails Private Limited	100.00%	-

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Holding Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, has been identified as being the chief operating decision maker.

2.3 Use of estimates

In the application of the group's accounting policies, the directors of the Holding Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Useful lives of property, plant and equipment

The group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

b) Deferred tax assets

The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	c) Employee benefits The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.
2.4	**Inventories** Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at Cost on First-In-First-Out (FIFO) basis or weighted average basis. Value of finished goods and work-in-progress are determined on FIFO basis or weighted average cost basis and include appropriate share of overheads.
2.5	**Cash and cash equivalents** Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits. Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.
2.6	**Cash flow statement** Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.
2.7	**Taxes on Income** **a) Current tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the group is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions. **b) Deferred tax** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. **c) Current and deferred tax for the year** Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.
2.8	**a) Property, plant and equipment** The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss. Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. **b) Capital work-in-progress** Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.
	For the purpose of transition to Ind AS, the Holding Company has elected to fair value all its property plant and equipment in accordance with Ind AS 101 as of April 01, 2016.
2.9	**Leases**
	a) Where the group is Lessee:
	Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
	Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals for non-cancellable leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease where the lease payments are structured to increase in line with expected general inflation.
	b) Where the group is Lessor:
	Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.
2.10	**Revenue recognition**
	Effective from 1st April 2018 the group has adopted Ind AS 115, Revenue from Contracts with Customers. The group has adopted full retrospective adoption in which standard is applicable to all the periods presented, including comparative period. The revenue is recognised as follows :
	Revenue is recognised when control of the goods services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
	i) Sale of goods
	Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
	ii) Time and material
	Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.
	iii) Dividend and interest income
	Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
	iv) Other operating revenue
	Income incidental to exports such as duty drawback, Merchandise Exports from India Scheme (MEIS), income from import entitlement and premium on sale of such entitlement are recognised when there is a reasonability of collection.
2.11	**Employee benefits**
	Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.
	a) Retirement benefit costs and termination benefits
	Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.
	For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.
	b) Defined benefit costs are categorised as follows :
	- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
	- net interest expense or income; and
	- remeasurement
	For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.
	The group presents the first two components of defined benefit costs in profit or loss in the line item `Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.
	The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.
	c) Short-term and other long term employee benefits
	A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
	Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
	Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the group in respect of services provided by employees up to the reporting date.
2.12	**Foreign currency transactions and translations**
	i) Functional and presentation currency
	Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates (`the functional currency'). The financial statements are presented in Indian rupee (INR), which is the group's functional and presentation currency.
	ii) Transactions and balances
	Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Also refer note 2.1(1).
	Non-monetary assets and liabilities are measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.
2.13	**Borrowings and Borrowing cost**
	Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
	Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
	Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.
2.14	**Earnings per share**
	Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
2.15	**Provisions and contingencies** A provision is recognised when the group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.
2.16	**Financial Instruments** All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs. For the purpose of subsequent measurement, financial instruments of the group are classified in the following categories: non-derivative financial assets comprising amortised cost, equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition. **a) Non-derivative financial assets** **i) Financial assets at amortised cost** A financial asset shall be measured at amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition. Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item. **ii) Equity instruments at FVTOCI** All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in OCI. The group makes such election on an instrument-by-instrument basis.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss. **iii) Financial assets at FVTPL** FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. **iv) Derecognition of financial assets** The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. **b) Non-derivative financial liabilities** **i) Financial liabilities at amortised cost** Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	ii) Financial liabilities at FVTPL Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss. For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss. **iii) Derecognition of non-derivative financial liabilities** The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.
2.17	**Impairment** **a) Financial Assets** In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date. ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider: i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Note No.	Particulars
	As practical expedient, the group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below: Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount. **b) Non-financial assets** The group assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the group estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").
2.18	**Government grants** Grants from the government are recognised when there is reasonable assurance that: I) the group will comply with the conditions attached to them; and ii) the grant will be received. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset. Where the group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.
2.19	**Operating cycle** Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

3A Property, plant and equipment and capital work-in-progress

(Rs. in Lakhs)

Carrying Amount of	As at March 31, 2019	As at March 31, 2018
Own Land	7,851.51	7,851.51
Leasehold land	608.09	610.49
Building - own	12,787.07	13,033.52
Building - leasehold	1,370.11	1,418.96
Plant and machinery	42,633.79	43,398.09
Office equipment	199.01	235.06
Furniture and fittings	372.53	256.10
Vehicles	66.50	86.38
Tools and implements	1.79	1.79
	65,890.40	**66,891.90**
Capital work-in-progress	131.93	105.76
	66,022.33	**66,997.66**

(Rs. in Lakhs)

Description of assets	Own land	Leasehold land	Building - own	Building - leasehold	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
I. Gross										
Balance as at April 1, 2017	**4,977.21**	**615.29**	**11,374.42**	**1,350.30**	**41,250.76**	**303.94**	**103.57**	**128.34**	**1.89**	**60,105.72**
Acquisition on business combination (Refer note 34)	2,875.20	-	1,542.73	-	2,505.72	93.64	37.03	0.34	-	7,054.66
Additions	0.67	-	1,043.01	140.49	4,219.49	34.12	169.33	8.59	-	5,615.70
Disposals	(1.57)	-	(4.34)	-	(32.12)	-	-	(14.67)	-	(52.70)
Balance as at March 31, 2018	**7,851.51**	**615.29**	**13,955.82**	**1,490.79**	**47,943.85**	**431.70**	**309.93**	**122.60**	**1.89**	**72,723.38**
Additions	-	-	374.81	-	2,025.57	76.61	168.34	-	-	2,645.33
Disposals	-	-	(114.91)	-	(198.19)	-	-	(14.34)		(327.44)
Balance as at March 31, 2019	**7,851.51**	**615.29**	**14,215.72**	**1,490.79**	**49,771.23**	**508.31**	**478.27**	**108.26**	**1.89**	**75,041.27**
II. Accumulated depreciation/amortisation										
Balance as at April 1, 2017	**-**	**2.40**	**415.42**	**27.01**	**2,152.56**	**110.41**	**3.48**	**36.08**	**0.05**	**2,747.41**
Depreciation / amortisation expense for the year	-	2.40	506.88	44.82	2,424.58	86.23	50.35	12.97	0.05	3,128.28
Eliminated on disposal of assets	-	-	-	-	(31.38)	-	-	(12.83)	-	(44.21)
Balance as at March 31, 2018	**-**	**4.80**	**922.30**	**71.83**	**4,545.76**	**196.64**	**53.83**	**36.22**	**0.10**	**5,831.48**
Depreciation / amortisation expense for the year	-	2.40	517.92	48.85	2,639.74	112.66	51.91	19.16	-	3,392.64
Eliminated on disposal of assets	-	-	(11.57)	-	(48.06)	-	-	(13.62)	-	(73.25)
Balance as at March 31, 2019	**-**	**7.20**	**1,428.65**	**120.68**	**7,137.44**	**309.30**	**105.74**	**41.76**	**0.10**	**9,150.87**
Net (I-II)										
Balance as at March 31 2018	**7,851.51**	**610.49**	**13,033.52**	**1,418.96**	**43,398.09**	**235.06**	**256.10**	**86.38**	**1.79**	**66,891.90**
Balance as at March 31 2019	**7,851.51**	**608.09**	**12,787.07**	**1,370.11**	**42,633.79**	**199.01**	**372.53**	**66.50**	**1.79**	**65,890.40**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

3B Intangible assets

(Rs. in Lakhs)

Description of assets	Computer software
I. Gross	
Balance as at April 1, 2017	**-**
Acquisiion on business combination (Refer Note 34)	22.28
Additions	-
Disposals	-
Balance as at March 31, 2018	**22.28**
Acquisiion on business combination (Refer Note 34)	
Additions	-
Disposals	-
Balance as at March 31, 2019	**22.28**
II. Accumulated depreciation and impairment	
Balance as at April 1, 2017	**-**
Amortisation expense for the year	4.70
Eliminated on disposal of assets	-
Balance as at March 31, 2018	**4.70**
Amortisation expense for the year	4.19
Eliminated on disposal of assets	-
Balance as at March 31, 2019	**8.89**
III. Net block (I-II)	
Balance as at March 31 2018	**17.58**
Balance as at March 31 2019	**13.39**

3C Depreciation and amortisation expenses

Particulars	As at March 31, 2019	As at March 31, 2018
Tangible assets	3,392.64	3,128.28
Intangible assets	4.19	4.70
Total	**3,396.83**	**3,132.98**

Amount Pertaining to the Land and Building comprised in the property, plant and equipment Schedule represented by 2,52,841 Equity Shares of Rs.10/- each of section 8 Company and Leave & License Agreement.

3D The Holding Company entered into an agreement to sell dated March 30, 2011 with Shiva Texyarn Limited for the sale of part of land situated at Velvarkottai Dindigul & Kodangipalayam Karanampet Coimbatore, valued at Rs.56,72,085/-. Accordingly the said amount is disclosed as assets held for sale.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Non - current Assets

4 Financial Assets

4.1 Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
I. Quoted Investments (fully paid)		
Investments in Equity Instruments - Others		
i) 250 (As at March 31, 2018 - 250) Equity shares of Rs.10/- each in Bannari Amman Sugars Limited	3.83	4.85
ii) 34 (As at March 31, 2018 - 17) Equity shares of Rs.10/- each in Moil Limited (includes 17 bonus shares allotted)	0.03	0.03
Total Quoted Investments	**3.86**	**4.88**
II. Unquoted Investments (fully paid)		
I. Investments - Others		
i) 54,740 (As at March 31, 2018 - 54,740) Preference shares of Anamallais Agencies Private Limited of Rs.100 each	58.57	58.57
ii) 6,443 (As at March 31, 2018 - 6,443) Preference shares of Shiva Automobile Private Limited of Rs. 100 each	5.10	5.10
iii) Nil (As at March 31, 2018 - 1,123) Preference shares of Kandiamman Properties & Holdings Private Limited of Rs. 100 each	-	0.89
iv) Nil (As at March 31, 2018 - 34,137) Preference shares of Kandiamman Realtors & Developers Private Limited of Rs. 100 each	-	27.05
v) 15,000 (As at March 31, 2018 - 15,000) Equity shares of Rs.10/- each in OPG Metal Power Private Limited	1.50	1.50
vi) 1,66,900 (As at March 31, 2018 - 1,45,200) Equity shares of Rs.10/- each in OPG Power Generation Private Limited	18.81	16.31
III. Investments in Government securities - Kisan Vikas Patra	0.03	0.03
Total Unquoted Investments	**84.01**	**109.45**
Total Investments	**87.87**	**114.33**
Aggregate amount of quoted investments	3.86	4.88
Aggregate market value of quoted investments	3.86	4.88
Aggregate amount of unquoted investments	84.01	109.45
Aggregate market value of unquoted investments	84.01	109.45

Notes forming part of consolidated financial statements for the year ended March 31, 2019

5 Other non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits paid	446.86	652.70
Capital advances	134.17	61.01
Other advances	248.89	177.87
Advance tax and tax deducted at source (Net) (Refer Note below)	535.97	143.18
Total - Other non-current assets	**1,365.89**	**1,034.76**
Note:		
Advance tax and tax deducted at source (Net) comprises:		
Current year	369.85	(60.45)
Previous years	166.12	203.63
Total	**535.97**	**143.18**

Current Assets

6 Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	16,875.59	20,099.75
Work-in-progress	1,841.73	3,785.17
Finished goods	11,693.80	7,345.97
Stock-in-trade	590.82	-
Stores and spares	797.17	778.39
Total - Inventories	**31,799.11**	**32,009.28**

7 Financial assets

7.1 Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
A) Trade receivable considered good - Unsecured	18,958.93	12,407.18
B) Trade receivable - Credit impaired	657.17	605.04
	19,616.10	13,012.22
Less: Allowance for doubtful trade receivables	(657.17)	(605.04)
Total - Trade receivables	**18,958.93**	**12,407.18**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

	Ageing		
	1-90 days	91-180 days	> 180 days
Exports Customers			
Default rate	-	-	20.73%
PY	9.00%	20.00%	25.00%
Domestic customers			
Default rate	1.09%	8.30%	17.73%
PY	0.50%	8.00%	18.00%

Movement in expected credit loss allowance

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	605.04	573.74
Movement in expected credit loss on trade receivables calculated at lifetime expected credit losses	52.13	236.77
Provision no longer required written back	-	(205.47)
Balance at the end of the year	**657.17**	**605.04**

7.2 Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
a) Cash on hand	10.05	19.46
b) Cheques/drafts on hand	161.00	73.00
c) Balances with banks : -		
i) In current accounts	453.39	968.83
ii) In deposit accounts	435.71	601.00
iii) In earmarked accounts	-	
- Margin money deposits	262.00	17.53
- Unpaid dividend accounts	2.75	2.18
Total - Cash and cash equivalents	**1,324.90**	**1,682.00**
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 Cash Flow Statements is	1,060.15	1,662.29

7.3 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Employee advance	47.94	61.95
Total - Loans	**47.94**	**61.95**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

7.4 Other financial assets

(Unsecured and considered good, unless stated otherwise)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Accruals:		
- Interest accrued on fixed deposits with banks	2.76	-
- TUF subsidy receivable	269.93	208.88
- Unbilled revenue (Refer note (i) below)	422.09	547.90
- Incentive/grant receivable	531.00	1,399.97
- Insurance claim receivable	46.01	-
Derivative financial instruments	241.02	12.37
Total - Other financial assets	**1,512.81**	**2,169.12**

Note (i) Movement in unbilled revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	**547.90**	**52.96**
Add: Revenue recognised during the year	422.08	547.90
Less: Invoiced during the year	458.93	-
Less: Reversal / adjustments during the year	88.96	52.96
Closing Balance	**422.09**	**547.90**

8 Other Assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	477.84	636.88
Balances with government authorities:		
- VAT credit receivable	-	6.95
- Duty drawback/Export incentive receivable	977.43	258.02
- GST receivable	1,627.03	1,747.33
- ESI liquidated damages	7.58	-
Contribution to gratuity balance	17.25	-
Advance to suppliers	1,649.29	1,607.93
Total - Other assets	**4,756.42**	**4,257.11**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

9 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
a) **Authorised:**				
i) **Equity share capital**				
Equity shares of Rs.10/- each	1,60,00,000	1,600.00	1,60,00,000	1,600.00
ii) **Preference share capital**				
Cumulative preference shares of Rs.100/- each	50,000	50.00	50,000	50.00
Total	**1,60,50,000**	**1,650.00**	**1,60,50,000**	**1,650.00**
b) **Issued, subscribed and Fully paid-up:**				
i) **Equity share capital**				
Equity shares of Rs. 10/- each	1,57,54,269	1,575.43	1,57,54,269	1,575.43
Total - Equity share capital	**1,57,54,269**	**1,575.43**	**1,57,54,269**	**1,575.43**

i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

Equity shares of Rs. 10/- each				
At the beginning of the year	1,57,54,269	1,575.43	1,57,54,269	1,575.43
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,57,54,269**	**1,575.43**	**1,57,54,269**	**1,575.43**

ii) **Terms / rights attached to the Equity Shares**

The Holding Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The Holding 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.

iii) **Distributions made and proposed**

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2018 was Rs 1.60 per share.

The Board of Directors of the Holding Company at its meeting held on May 30, 2018 had recommended a dividend of 16% (Rs.1.60 per equity share of par value Rs 10 each). The proposal was approved by shareholders at the Annual General Meeting held on September 24, 2018, this has resulted in a cash outflow of Rs 303.88 lakhs, inclusive of corporate dividend tax of Rs. 51.81 lakhs. Further, the Board of Directors at its meeting held on May 30, 2019 have proposed a dividend of 16% (Rs.1.60 per equity share of par value of Rs 10 each).

iv) **Details of shareholders holding more than 5% of the share capital**
Equity Shares

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Murugan Enterprise Private Limited	78,03,733	49.53%	78,03,733	49.53 %
Gagandeep Credit Capital Private Limited	9,87,475	6.27%	9,87,475	6.27%

Notes forming part of consolidated financial statements for the year ended March 31, 2019

10 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	7,930.76	7,930.76
Closing balance	**7,930.76**	**7,930.76**
2. General reserve		
This represents appropriation of profit by the group.		
Opening balance	16,295.22	16,295.22
Closing balance	**16,295.22**	**16,295.22**
3. Retained earnings		
Retained earnings comprise of the group's current and prior years undistributed earnings after taxes or accumulated losses.		
Opening balance	3,222.14	2,686.32
Add : Profit for the current year	2,091.06	877.19
Less : Cash dividends	(252.07)	(283.59)
Less : Tax on dividends	(51.81)	(57.78)
Closing balance	**5,009.32**	**3,222.14**
4. Other items of other comprehensive income		
Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and financial liabilities and remeasurement of net defined benefit liability/asset.		
Opening balance	466.97	(30.83)
Add : Movement during the year	(44.30)	497.80
Closing balance	**422.67**	**466.97**
Total - Other equity (1 + 2 + 3 + 4)	**29,657.97**	**27,915.09**

Non-current Liabilities

11 Financial Liabilities

11.1 Borrowings

(a) Term Loans - Secured (Refer Note (i) below)		
- From banks	21,225.35	25,813.50
- From others	1,335.92	1,200.52
Total - Borrowings	**22,561.27**	**27,014.02**

Note (i) - Details of terms of repayment and security provided in respect of secured term loans:		
i) ICICI Bank Limited- Rupee term loan 2	1,697.52	2,437.50
ICICI Bank Limited- Rupee term loan 3	2,883.34	3,000.00
Less: Current maturities of long term debt	(1,691.60)	(1,500.00)
Total	**2,889.26**	**3,937.50**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Security:

Term Loan 2 : First Pari passu charge on the entire property, plant and equipment of Spinning Unit I located at Vadamadurai, Dindigul along with other Banks and exclusive charge on the specific plant & Machinery of weaving unit.

Term loan 3: First charge on the entire property, plant and equipment of Spinning Unit I situated at Dindigul on pari passu basis along with other banks and exclusive charge on the windmills (Land, Building, Plant & Machinery) of the Company with an aggregate installed capacity of 16.2 MW located at Chinnaputhur village, Tirupur District and Irukkandurai Village, Tirunelveli District.

Repayment : Term Loan 2: 16 quarterly instalments starting from July 2017.

Term Loan 3: 16 quarterly instalments starting from July 2018.

Rate of Interest : Term Loan 2: 10.5%.

Term loan 3: 10%.

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
ii) Indian Bank - Rupee Term Loan	1,344.92	1,730.91
Less: Current maturities of long term debt	(376.00)	(376.00)
Total	**968.92**	**1,354.91**

Pari-passu 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 February 2014. Rate of Interest : 11.45%

iii) Indian Bank - Rupee Term Loan	7,411.00	8,350.00
Less: Current maturities of long term debt	(1,500.00)	(936.00)
Total	**5,911.00**	**7,414.00**

Pari-passu first charge by way of equitable mortgage of factory land and building of spinning, weaving, knitting, processing and garment divisions of the Company along with other banks.

Repayment : 32 Quarterly instalments starting from June 2016.

Rate of Interest : 11.45%

iv) Indian Bank - Rupee Term Loan	4,331.99	4,560.00
Less: Current maturities of long term debt	(228.00)	(228.00)
Total	**4,103.99**	**4,332.00**

Pari-passu first charge by way of equitable mortgage of factory land and building of spinning, weaving, knitting, processing and garment divisions of the Company along with other banks.

Repayment :32 Quarterly instalments starting from June 2018.

Rate of Interest : 11.00%

Notes forming part of consolidated financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
v) DCB Bank Limited - Term Loan	2,444.91	2,500.00
Less: Current maturities of long term debt	(718.72)	(119.05)
Total	**1,726.19**	**2,380.95**

Exclusive charge over windmills of 7.20 MW capacity located at Melkaraipatti & Kottathurai Village, Palani Taluk, Dindigul District.

Repayment : 42 Monthly instalments starting from March 2019. Rate of Interest : 9.34%

vi) Axis Bank - Term Loan	2,192.12	2,300.00
Less: Current maturities of long term debt	(237.12)	(100.00)
Total	**1,955.00**	**2,200.00**

Exclusive charge on windmill unit IV & V assets of 6.55 MW capacity situated at Chinnapudur Village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamilnadu.

Repayment : 24 Quarterly instalments starting from December 2018. Rate of Interest : 10.45%.

vii) Indian overseas Bank - Term Loan	2,963.31	2,728.96
Less: Current Maturities of long term debt	(374.35)	-
Total	**2,588.96**	**2,728.96**

Paripassu first charge on property, plant and equipment of Spinning Unit I located at Nadukandanur Pirivu, Vadamadurai, Dindigul and Paripassu first charge on fixed assets of Spinning Unit II located at Velvarkottai, Trichy Highway 45, Vedasandur TK, Dindigul - 624803 along with other banks.

Repayment : 32 Quarterly instalments starting from April 2019. Rate of Interest: 10.95%.

viii) Oriental Bank of Commerce - Rupee Term Loan	1,176.70	1,359.85
Less: Current maturities of long term debt	(228.00)	(228.00)
Total	**948.70**	**1,131.85**

First charge on Property plant and equipment of Young Brand Apparel Private Limited, including equitable mortgage over factory land and building and hypothecation of other property plant and equipment acquired out the loan.

After the initial holiday period of 24 months, repayable in 84 equal quarterly installments commencing from June 2017, last installment due in March 2024. Rate of interest : 13.5%.

ix) Oriental Bank of Commerce - Corporate Rupee Term Loan	333.33	533.33
Less: Current maturities of long term debt	(200.00)	(200.00)
Total	**133.33**	**333.33**

First charge on Property plant and equipment of Young Brand Apparel Private Limited, including equitable mortgage over factory land and building.

After the initial holiday period of 12 months, repayable in 60 equal quarterly installments commencing from June 2017, last installment due in December 2020. Rate of interest : 13.5%.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
x) Palladam Hi-Tech Weaving Park	47.84	53.11
Less: Current maturities of long term debt	(23.61)	(22.07)
Total	**24.23**	**31.04**

First charge on fixed assets acquired out of loan of Garment Unit located at Palladam Hi-Tech Weaving Park, Sukkampalayam Village, K.N.Puram (Po), Palladam.

Repayment : 120 Monthly instalment starting from April 2010.

Rate of Interest : 0.75% .

xi) SIPCOT Soft Loan	2,554.90	2,554.90
Less: Current maturities of long term debt	-	-
Less: Government grant (Refer note (ii) below)	(1,243.21)	(1,385.42)
Total	**1,311.69**	**1,169.48**

I) 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 paripassu with other banks and property plant and equipment of the expansion scheme of spinning units located at Velvarkottai Village, Dindigul, Weaving unit at Karanampet, Coimbatore.

ii) The Government of Tamil Nadu in its order: G.O. Ms. No. 126, dated October 20, 2009, has granted an amount equivalent to net output VAT + CST paid through expansion project to Government as Investment Promotion Soft Loan for a period of 10 years, subject to terms and conditions mentioned in the Eligibility Certificate ID/SPA/BSML/2010 dated 30 April 2013. The soft loan will carry a nominal rate of 0.1% per annum. The soft loan sanctioned is repayable on the 10th year from the date of sanction. This is considered as Government grant and accordingly the loan amount is carried at amortised cost considering an effective interest rate of 12.16%. The Government grant income is recognised proportionately in relation to the interest expense.

Non-current borrowings - Total	22,561.27	27,014.02
Current maturities of long term borrowings - Total	5,577.40	3,709.12
Total	**28,138.67**	**30,723.14**

12.1 Provisions

Provision for employee benefits :		
Provision for gratuity (Refer No.25.1.b)	126.27	112.57
Total - Provisions	**126.27**	**112.57**

12.2 Other liabilities

Government grant - SIPCOT soft loan (Refer note 11.1)	1,083.25	1,243.21
Grant from Technology Upgradation Fund scheme	94.69	-
Total - Other liabilities	**1,177.94**	**1,243.21**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Current Liabilities

13 Financial Liabilities

13.1 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	41,824.51	38,518.63
(b) Working capital loan from banks (Un-secured/Residual) (Refer Note 2 below)	2,553.27	972.93
Total - Borrowings	**44,377.78**	**39,491.56**

Note - 1 Secured loans :

The Karur Vysya Bank Limited	1,101.77	1,718.75

Working Capital Limit: Rs. 1,250 Lakhs

Security : Pari passu first charge on the entire current asset of Spinnng Unit I situated at Nadukandanur pirivu, Morepatty Post, Vadamadurai, Dindigul along with other banks. Pari passu second charge on the entire property, plant and equipment in the Spinning Unit I.

Corporation Bank	5,011.44	3,458.50

Working Capital Limit: Rs. 5,250 Lakhs

Security : Paripassu first charge on the entire current asset of Spinning Unit I, II and Weaving Unit along with other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit I, II and Weaving units.

ICICI Bank Limited	2,199.54	5,382.00

Working capital limit: Rs. 2,500 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 of spinning unit I for Limit upto Rs. 2,500 Lakhs on paripassu basis with other basis.

Oriental bank of Commerce	6,583.90	5,481.82

Working Capital Limit: Fund based limit : Rs. 6,000 Lakhs Non-fund based limit : Rs. 2,500 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit II, Garment and Processing Units along with other banks. Paripassu second charge on the entire fixed assets of Spinning Unit II, Garment and Processing Units.

Indian Overseas Bank	12,408.97	8,497.91

Working Capital Limit: Fund based limit : Rs.10,000 Lakhs Non-fund based limit : Rs.2,500 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit II and Knitting Unit along with other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit II and Knitting Unit.

Bank of Maharashtra	980.45	1,273.20

Working Capital Limit: Fund based limit : Rs. 1,000 Lakhs

Security : Paripassu first charge on the entire current assets of processing unit. Paripassu second charge on the entire property, plant and equipment of processing unit.

Allahabad Bank	3,352.61	4,041.83

Working Capital Limit: Rs. 3,700 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit II & Garment Unit along with other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit II & Garment Unit.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank of Bahrain & Kuwait B.S.C.	1,982.23	471.02

Working Capital Limit: Rs. 2,000 Lakhs

Security : Paripassu first charge on the entire current assets of Spinning Unit I along with other banks. Paripassu second charge on the entire fixed assets of Spinning Unit I.

Indian Bank	1,546.40	1,433.70

Working Capital Limit: Rs. 3,000 Lakhs

Security : First Charge by way of Hypothecation of Raw materials, Stock-in-trade, Finished goods of the Garment Division. Second charge on the property, plant and equipment of the Garment Division.

DCB Bank Limited	2,475.75	2,500.00

Working Capital Limit: Rs. 2,500 Lakhs

Security: Extension of charge on Windmills of 7.20 MW capacity offered as prime security for Team Loan.

Oriental Bank of commerce	4,181.45	4,259.90

Working Capital limit : Rs. 7,700 Lakhs.

Security : First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods, stores ands spares and receivables of Young Brand Apparel Private Limited. Second charge on the assets secured on term loans. Rate of Interest : LIBOR plus 3.5% p.a Short Term Loan : 12.90% (Fixed)

Note - 2 Unsecured / Residual loans :

Kotak Mahindra Bank	-	472.93

Working Capital limit : Rs. 3,000 Lakhs

HDFC Bank Limited	-	500.00

Working Capital limit : Rs. 2,500 Lakhs

ICICI Bank Limited	2,553.27	-

Working capital limits: Rs. 3,500 lakhs

13.2 Trade Payables

Total outstanding dues to Micros and small enterprises (Refer Note 24)		
- For Raw materials	735.51	—
- For Others	40.44	—
Total outstanding dues of creditors other than Micro and small enterprises		
- For Raw materials	7,173.88	7,887.49
- For Others	3,280.97	3,648.25
Total - Trade payables	**11,230.80**	**11,535.74**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

13.3 Other financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of long-term debt	5,577.40	3,709.12
Interest accrued but not due on borrowings	163.45	184.20
Unpaid dividend	2.75	2.18
Security deposits received	90.96	70.26
Contractually reimbursible expenses	7.28	100.00
Payables on purchase of property, plant and equipment	24.50	37.53
Total - Other financial liabilities	**5,866.34**	**4,103.29**

14 Provisions

a) Provision for employee benefits:		
- Provision for compensated absence	135.08	110.00
- Provision for Gratuity (Refer No.25.1.b)	137.16	46.13
- Provision for bonus	219.32	113.15
b) Provision for income tax (Net)	309.00	0.03
Total - Provisions	**800.56**	**269.31**

15 Other current liabilities

Statutory remittances	272.72	114.94
Liability towards funded gratuity scheme	-	1.60
Advances from customers	2,087.08	1,205.21
Advance received towards sale of property plant and equipment	94.30	94.30
Government Grant - SIPCOT soft Loan (Refer note 11.1)	159.96	142.21
Total - Other current liabilities	**2,614.06**	**1,558.26**

16 Revenue from operations

1. Disaggregated Revenue Information

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected. Accordingly, the disaggregation by type of goods / services and by geographical location of customers is provided in the table below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Sale of goods		
a. Manufactured goods		
Yarn	53,316.29	43,871.80
Fabrics	33,889.35	31,782.76
Waste Cotton	5,722.92	4,895.04
Garments	19,214.71	13,441.92

Notes forming part of consolidated financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
b. Traded goods		
Yarn	41.03	1,315.72
Cotton	139.88	95.06
c. Income from services provided	2,940.72	2,531.65
Sizing charges, CMT charges, Knitting & Processing Charges		
b) Other operating revenues	2,184.04	2,851.83
Total - Revenue from operations	**1,17,448.94**	**1,00,785.78**

The Company disaggregate the revenue based on geographic locations and it is disclosed under note 26 ' Segment reporting'.

17 Other income

a) Interest income (Refer Note 1 below)	62.98	70.73
b) Dividend income from non-current non-trade investments	-	0.03
c) Net gain on foreign currency transactions and translation	638.66	113.35
d) Other non-operating income (Refer Note 2 below)	183.58	413.26
Total - Other income	**885.22**	**597.37**

Notes :

1. Interest income comprises:		
Interest from financial assets at amortised cost	39.93	-
Interest on security deposit	23.05	70.73
Total - Interest income	**62.98**	**70.73**
2. Other non-operating income comprises:		
Profit on sale of property plant and equipment (Net)	62.06	45.04
TUF Capital subsidy received	10.52	-
Revenue grant and incentives	-	333.00
Profit on sale of Investment	7.32	-
Miscellaneous income	103.68	35.22
Total - Other non-operating income	**183.58**	**413.26**

18 A Cost of materials consumed

Opening stock	20,099.75	13,736.98
Add: Purchases	77,126.60	76,534.73
	97,226.35	90,271.71
Less: Closing stock	(16,875.59)	(20,099.75)
Total - Cost of materials consumed	**80,350.76**	**70,171.96**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

18 B Purchase of stock-in-trade

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of stock-in-trade	110.75	1,227.37
Total - Purcahse of stock-in-trade	**110.75**	**1,227.37**

19 Changes in inventories of finished goods, work-in-progress and stock in trade

Inventories at the end of the year:		
Finished goods	11,693.80	7,345.97
Work-in-progress	1,841.73	3,785.17
Stock in trade	590.82	-
Total	**14,126.35**	**11,131.14**
Inventories at the beginning of the year:		
Finished goods	7,345.97	5,732.60
Work-in-progress	3,785.17	1,386.55
Stock in trade	-	51.21
Total	**11,131.14**	**7,170.36**
Net (increase) / decrease	**(2,995.21)**	**(3,960.78)**

20 Employee benefits expenses

Salaries, wages and bonus	11,579.53	9,458.41
Contributions to provident and other funds	495.11	531.17
(Refer Note 25.1.a & 25.1.b)	-	-
Staff welfare expenses	1,624.44	1,311.06
Total - Employee benefits expense	**13,699.08**	**11,300.64**

21 Finance costs

a) Interest expense on financial liabilities at amortised cost:		
i) Borrowings (Refer Note 30)	6,466.85	5,557.47
b) Other borrowing costs	248.26	441.41
Total - Finance costs	**6,715.11**	**5,998.88**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

(Rs. in Lakhs)

22 Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spare parts	236.31	434.07
Manufacturing expenses	518.15	53.70
Consumption of packing materials	899.82	830.57
Power, fuel and water charges	5,764.77	4,449.88
Rent including lease rentals	143.51	138.18
Repairs and maintenance - Building	167.35	102.08
Repairs and maintenance - Machinery	2,336.84	2,014.74
Repairs and maintenance - Others	280.69	209.66
Insurance	421.29	399.25
Rates and taxes	425.98	391.08
Communication expenses	87.81	89.43
Travelling and conveyance	500.03	336.09
Printing & stationery	55.61	338.21
Freight and forwarding charges	1,057.79	1,248.68
Sales commission	821.77	919.83
Quality claim	66.14	-
Hank yarn obligation	20.78	14.42
Business promotion expenses	91.06	27.23
Donation	0.80	2.65
Legal and professional charges	298.25	210.38
Payments to auditors (Refer Note 1 below)	30.00	30.00
Corporate social responsibility	5.22	21.32
Provision for bad and doubtful debts	52.13	31.30
Bad debts written off	1.14	-
Loss on sale of investment	-	5.26
Miscellaneous expenses	253.68	102.35
Total - Other expenses	**14,536.92**	**12,400.36**

Note 1 - Payments to auditors:

Payments to auditors comprises		
Statutory audit fees	24.00	24.00
Limited review fees	6.00	6.00
Total - Payments to auditors	**30.00**	**30.00**

Note -2 Operating lease disclosure :

As Lessor : The company has entered into operating lease arrangements for certain surplus facilities. The lease is cancellable and are usually renewable by mutual consent on mutually agreeable terms. Lease income recognised in the Statement of Profit and Loss.	120.00	120.00
As Lessee : The company has entered into operating lease arrangements for premises like (factories, administrative office, sales depots and godowns etc.,). These leasing arrangements are cancellable and are usually renewable by mutual consent on mutually agreeable terms. Lease payments recognised in the Statement of Profit and Loss.	143.51	138.18

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Additional information to the financial statement

23 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
i) Contingent liabilities:		
a) Income tax demands, pending in appeal	-	29.97
b) Central Excise demands, pending in appeal	112.58	144.03
c) Sales tax demands, pending in appeal	-	134.15
d) TANGEDCO demands, pending in appeal	1,046.30	916.81
e) Corporate Guarantee (on behalf of Young Brand Apparel Private Limited)	12,515.00	11,826.00
f) Demand of Service tax on the amounts paid to Foreign Service Providers is under dispute and an appeal has been filed before the Honourable Madras High Court, Chennai	75.08	75.08
g) Infrastructure and amenities charges levied by Department of Town and Country Planning, for which the Company has jointly made appeal to Honourable High Court along with industrial units in the location and the Honourable High Court has given a stay order.	79.60	79.60
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	1,500.00	1,250.00

24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	775.95	-
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

25 Employee benefit plans

25.1.a Defined contribution plans - provident fund and employee state insurance

The group makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The group recognised the following contributions in the Statement of profit and loss.

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Provident fund	359.89	436.95
Employee state insurance	85.71	74.76

25.1.b Defined benefit plan - gratuity

In accordance with applicable Indian laws, the group provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the group. The group provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 20 Employee benefits expense. Under this plan, the settlement obligation remains with the group.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the group is exposed to various risks in providing the above gratuity benefit which are as follows:

a) **Interest Rate Risk:** The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

b) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

c) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d) **Demographic Risk:** The group has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e) **Liquidity Risk:** This is the risk that the group is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019 by Ms. Priyanka Shah, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

The following table sets out the funded status of the gratuity scheme: (Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Components of employer expense		
Current service cost	113.78	66.16
Past service cost	21.76	21.76
Interest cost	38.85	33.55
Expected return on plan assets	(39.17)	(27.25)
Recognised in statement of profit and loss	135.22	94.22
Re-measurement - actuarial (gain)/loss recognised in OCI	70.31	(19.49)
Total expense recognised in the Statement of total comprehensive income	**205.53**	**74.73**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	143.53	65.69
Actuarial (gain)/loss due to DBO assumption changes	(54.38)	(87.71)
Actuarial (gain)/loss arising during period	89.15	(22.02)
Actual return on plan assets (greater)/less interest on plan assets	(18.84)	2.53
Actuarial (gains)/ losses recognized in OCI	70.31	(19.49)
Defined Benefit Cost		
Service cost	135.54	66.16
Net interest on net defined benefit liability / (asset)	(0.32)	6.30
Actuarial (gains)/ losses recognized in OCI	70.31	(19.49)
Defined Benefit Cost	**205.53**	**52.97**
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	535.84	312.79
Current service cost	113.78	66.16
Past service cost	21.76	21.76
Interest cost	38.85	33.55
Actuarial (gains) / losses	89.15	(22.02)
Acquisitions	-	137.04
Benefits paid	(75.24)	(13.44)
Present value of DBO at the end of the year	**724.14**	**535.84**
Actual contribution and benefit payments for year		
Actual benefit payments	75.24	13.44
Actual contributions	87.23	10.00
Change in fair value of assets during the year		
Plan assets at beginning of the year	375.54	354.26
Expected return on plan assets	39.17	27.25
Actual company contributions	87.23	10.00
Actuarial gain / (loss)	18.84	(2.53)
Benefits paid	(42.82)	(13.44)
Plan assets at the end of the year	**477.96**	**375.54**
Actual return on plan assets	58.01	24.72

Notes forming part of consolidated financial statements for the year ended March 31, 2019

25 Disclosures under Accounting Standards (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current and Non Current liability portion		
Current Liability / Provisions	(137.16)	(47.73)
Non Current Asset/ (Liability / Provisions)	(126.27)	(112.57)
Net Asset/(Liability)	(263.43)	(160.30)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	724.14	535.84
Fair value of plan assets	477.96	375.54
Funded status (Surplus / (Deficit))	**(246.18)**	**(160.30)**
Net asset / (liability) recognised in the Balance Sheet	**(246.18)**	**(160.30)**
Composition of the plan assets is as follows:		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
Total	**477.96**	**375.54**

*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.

Actuarial assumptions		
Discount rate	7.70%	7.73%
Expected return on plan assets	3% to 1%	3.00%
Salary escalation	5.00%	6.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity Plan	March 312019	March 31, 2018
Estimate value of obligation if discount rate is taken 1% higher	667.12	493.17
Estimate value of obligation if discount rate is taken 1% lower	791.78	586.24
Estimate value of obligation if salary growth rate is taken 1% higher	791.03	583.72
Estimate value of obligation if salary growth rate is taken 1% lower	667.10	494.56
Estimate value of obligation if attrition rate is taken 1% higher	468.68	381.50
Estimate value of obligation if attrition rate is taken 1% lower	452.17	377.29

Notes forming part of consolidated financial statements for the year ended March 31, 2019

25 Disclosures under Accounting Standards (Contd...)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	March 31, 2019	March 31, 2018
1	136.64	40.89
2	61.81	42.41
3	45.55	38.36
4	51.58	31.58
5	65.87	73.54
Above 5	132.57	100.26

Asset Liability Matching Strategies

The Holding Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

26 Segment Reporting

a) **Primary business segment information**

The group's operations relate to only one business segment, viz., Textiles. Accordingly, this is the only reportable business segment.

b) **Secondary geographic segment information**

(Rs. in Lakhs)

Geographic Segment		Revenue	Segment assets	Capital expenditure incurred
Outside India	March 31, 2019	38,440.43	5,082.31	-
	March 31, 2018	45,934.33	3,541.14	-
India	March 31, 2019	79,008.51	1,20,386.33	2,645.33
	March 31, 2018	54,851.45	1,17,242.55	5,615.70
Unallocated	March 31, 2019	-	535.97	-
	March 31, 2018	-	143.18	-
Total	**March 31, 2019**	**1,17,448.94**	**1,26,004.61**	**2,645.33**
	March 31, 2018	**1,00,785.78**	**1,20,926.87**	**5,615.70**

Note: Segment Assets represent Assets in respective segments. Tax related assets cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Notes forming part of consolidated financial statements for the year ended March 31, 2019

27 Related party transactions

a) Details of Related parties :

Description of relationship	Name of related parties
Joint Venture	Young Brand Apparel Private Limited (Till July 6, 2017)
Enterprises in which the Key management Personnel or relatives have significant influence	Shiva Texyarn Limited (Till November 9, 2018) Anamallais Automobiles Private Limited Shiva Automobiles Private Limited Shiva Mills Limited (Till November 9, 2018) Vedanayagam Oil Company Sakthi Murugan Transports Limited
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director Sri N Krishnaraj, Company Secretary Sri C S Balakumar, Chief Financial Officer (Demised on 10 June, 2018) Sri S Seshadri, Chief Financial Officer (From 27 June, 2018)
Relatives of KMP	Sri A Senthil - Chief Executive Officer

b) Details of transactions during the year and balance outstanding as at the balance sheet date : (Rs. in Lakhs)

Particulars	Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018
Transactions during the year:			
Purchase of yarn	Shiva Mills Limited	-	205.87
	Shiva Texyarn Limited	125.79	199.27
Sale of yarn	Shiva Texyarn Limited	0.85	10.77
	Young Brand Apparel Private Limited	-	15.54
	Shiva Mills Limited	151.36	-
Sale of fabric	Shiva Mills Limited	-	2.53
	Shiva Texyarn Limited	343.62	758.72
	Young Brand Apparel Private Limited	-	145.85
Conversion/Job work charges received	Shiva Texyarn Limited	16.87	32.04
	Young Brand Apparel Private Limited	-	3.58
Conversion/Job work charges paid	Shiva Texyarn Limited	-	0.14
	Shiva Mills Limited	-	5.72
Lease rent received	Shiva Texyarn Limited	70.00	138.15
Lease rent paid for building and machinery	Shiva Texyarn Limited	35.00	69.00
Vehicle maintenance paid	Shiva Automobiles Private Limited	7.00	4.19
Processing charges received	Young Brand Apparel Private Limited	-	110.71
Processing charges paid	Shiva Texyarn Limited	3.99	-
Purchase of fuel	Vedanayagam Oil Company	3.18	2.23
Rent paid	Anamallais Automobiles Private Limited	6.90	2.11
	Sakthi Murugan Transports Limited	1.06	1.06

Notes forming part of consolidated financial statements for the year ended March 31, 2019

b) Details of transactions during the year and balance outstanding as at the balance sheet date (Contd..)

(Rs. in Lakhs)

Particulars	Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of sundry materials	Shiva Mills Limited	-	0.14
Purchase of vehicle	Shiva Automobiles Private Limited	-	7.41
Purchase of canvas	Shiva Texyarn Limited	-	0.13
Sale of machinery	Shiva Texyarn Limited	-	0.77
Remuneration of KMP	Sri S V Arumugam, Managing Director	77.58	64.67
	Sri N Krishnaraj, Company Secretary	19.59	14.50
	Sri C S Balakumar, Chief Financial Officer (Demised on 10 June, 2018)	2.99	15.40
	Sri S Seshadri, Chief Financial Officer (W.e.f 27 June, 2018)	15.75	-
Salary to Relative of KMP	Sri A Senthil, S/o. Sri S V Arumugam, Chief Executive Officer	30.00	30.00

Particulars	Related Party	March 31, 2019	March 31, 2018
Balances outstanding as at year end :			
Receivables	Shiva Mills Limited	44.10	-
	Shiva Texyarn Limited	553.44	265.02
(Payables)	Shiva Mills Limited (net)	(19.18)	(24.67)
	Shiva Texyarn Limited (net)	(244.21)	-
	Vedanayagam Oil Company	-	(0.24)
	Sakthi Murugan Transports Limited	(0.09)	(0.09)
	Shiva Automobiles Private Limited	(0.09)	-
	Anamallais Automobiles Private Limited	(0.60)	-
Amount outstanding as at the year end		**333.37**	**240.02**

Note: i) There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

ii) Related party relationship is as identified by the Company on the basis of information available with the Company and relied upon by the Auditors.

iii) No amount is/has been written off or written back during the year in respect of debts due from or to related party.

28 Earnings per equity share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity shareholders (Rs.)	2,366.46	977.31
Weighted average number of equity shares (Nos.)	1,57,54,269	1,57,54,269
Par value per equity share (Rs.)	10.00	10.00
Earning per share - Basic & Diluted (Rs.)	15.02	6.20

Notes forming part of consolidated financial statements for the year ended March 31, 2019

29A Income tax recognised

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current Tax :				
In respect of current year	428.49	-	172.00	-
In respect of earlier years	-	-	(15.31)	-
Deferred Tax :				
In respect of current year	(275.02)	(2.91)	15.40	224.57
Income tax expense	**153.47**	**(2.91)**	**172.09**	**224.57**

29B Movement in deferred tax balances

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balace
For the year ended March 31, 2019					
a) Holding Company					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	177.29	27.75	-	-	205.04
Provision for compensated absences and gratuity	14.32	72.94	1.81	-	89.07
Minimum Alternate tax (net)	5,066.50	234.95	-	-	5,301.45
Others	117.08	(76.26)	1.10	-	41.92
Tax effect of items constituting deferred tax asset	**5,375.19**	**259.38**	**2.91**	**-**	**5,637.48**
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(8,384.37)	76.55	-	-	(8,307.82)
Deferred tax on gain on acquisition of control	(223.47)	-	-	-	(223.47)
Tax effect of items constituting deferred tax (liability)	**(8,607.84)**	**76.55**	**-**	**-**	**(8,531.29)**
Net Deferred tax asset/(liability)	**(3,232.65)**	**335.93**	**2.91**		**(2,893.81)**
b) Subsidiary Company (Young Brand Apparel Private Limited)					
Tax effect of items constituting deferred tax asset					
Unabsorbed Depreciation and Brought Forward Business Loss	1,040.22	(139.77)	-	-	900.45
On account of difference in treatment of expenditure	109.44	(6.36)	-	-	103.08
MAT credit entitlement	-	119.56	-	-	119.56
Tax effect of items constituting deferred tax asset	**1,149.66**	**(26.57)**	**-**	**-**	**1,123.09**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

Movement in deferred tax balance (Contd.,)

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balace
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(1,030.47)	(34.34)		-	(1,064.81)
Tax effect of items constituting deferred tax (liability)	**(1,030.47)**	**(34.34)**	**-**	**-**	**(1,064.81)**
Net Deferred tax asset/(liability)	**119.19**	**(60.91)**	**-**	**-**	**58.28**
For the year ended March 31, 2018					
a) **Holding Company**					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	177.29	-	-	-	177.29
Provision for compensated absences and gratuity	15.42	-	(1.10)	-	14.32
Minimum Alternate tax (net)	4,894.50	172.00	-	-	5,066.50
Others	117.08	-	-	-	117.08
Tax effect of items constituting deferred tax asset	**5,204.29**	**172.00**	**(1.10)**	**-**	**5,375.19**
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property plant and equipment	(8,339.48)	(44.89)	-	-	(8,384.37)
Deferred tax on gain on acquisition of control	-	-	(223.47)	-	(223.47)
Tax effect of items constituting deferred tax (liability)	**(8,339.48)**	**(44.89)**	**(223.47)**	**-**	**(8,607.83)**
Net Deferred tax asset/(liability)	**(3,135.19)**	**127.11**	**(224.57)**	**-**	**(3,232.64)**
b) **Subsidiary Company (Young Brand Apparel Private Limited)**					
Tax effect of items constituting deferred tax asset					
Unabsorbed Depreciation and Brought Forward Business Loss	1,160.61	(120.39)	-	-	1,040.22
On account of difference in treatment of expenditure	100.53	8.91	-	-	109.44
Tax effect of items constituting deferred tax asset	**1,261.14**	**(111.48)**	**-**	**-**	**1,149.66**
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(999.45)	(31.03)	-	-	(1,030.48)
Tax effect of items constituting deferred tax (liability)	**(999.45)**	**(31.03)**	**-**	**-**	**(1,030.48)**
Net Deferred tax asset/(liability)	**261.69**	**(142.51)**	**-**	**-**	**119.18**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

29C Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**2,519.93**	**1,111.74**
Enacted income tax rate in India	31.20%	30.90%
Computed expected tax expense	786.22	343.54
Effect on account of non-deductible expenses under income tax	-	33.79
Effect on account of Income exempt under income tax	-	2.29
Tax incentives and concessions	(167.85)	-
Mat credit entitlement	(428.54)	-
On account of enacted tax rates	(99.62)	-
Write off of minimum alternate tax	74.05	-
Tax expense of subsidiary companies	(10.79)	-
Deferred tax relating to earlier years	-	(207.53)
Income tax expense recognised in the statement of profit and loss	**153.47**	**172.09**

30 During the year the Company capitalised an amount of Rs.106.11 lakhs of borrowing cost under property, plant and equipment (For the year ended March 31, 2018 Rs.450 Lakhs). The capitalisation rate considered is 10.25% being the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

31 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Amortised cost				
Loans	47.94	61.95	47.94	61.95
Trade receivable	18,958.93	12,407.18	18,958.93	12,407.18
Cash and cash equivalents	1,324.90	1,682.00	1,324.90	1,682.00
Other financial assets	1,512.81	2,169.12	1,512.81	2,169.12
Investment in Government securities	0.03	0.03	0.03	0.03
FVTOCI				
Investment in equity instruments	3.86	4.88	3.86	4.88
FVTPL				
Investment in equity instruments (unquoted)	83.98	109.42	83.98	109.42
Total assets	**21,932.45**	**16,434.58**	**21,932.45**	**16,434.58**
Financial liabilities				
Amortised cost				
Borrowings	72,516.45	70,214.70	72,516.45	70,214.70
Trade payables	11,230.80	11,535.74	11,230.80	11,535.74
Other financial liabilities	288.94	394.17	288.94	394.17
Total liabilities	**84,036.19**	**82,144.61**	**84,036.19**	**82,144.61**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2019 was assessed to be insignificant.

iii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

32 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2019 and March 31, 2018.

(Rs. in Lakhs)

Particulars	As at	Fair value measurement using				
		Date of valuation	Total	Quoted Prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:						
FVTOCI financial assets designated at fair value :						
Investment in equity instruments (quoted)	March 31, 2019	March 31, 2019	3.86	3.86	-	-
	March 31, 2018	March 31, 2018	4.88	4.88	-	-
Derivative financial instruments	March 31, 2019	March 31, 2019	241.02	241.02	-	-
	March 31, 2018	March 31, 2018	12.37	12.37	-	-
FVTPL financial assets designated at fair value :						
Investment in equity instruments (unquoted)	March 31, 2019	March 31, 2019	83.98	-	-	83.98
	March 31, 2018	March 31, 2018	109.42	-	-	109.42

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

33 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borrowings to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

2) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from top customer	9,623.85	3,089.35
Revenue from top 5 customers	20,544.73	9,732.92

Two customers accounted for more than 10% of the revenue for the year ended March 31, 2019 , however two of the customers accounted for more than 10% of the receivables as at March 31, 2019. Eight customers accounted for more than 10% of the revenue for the year ended March 31, 2018 , however four of the customers accounted for more than 10% of the receivables as at March 31, 2018.

3) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

4) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

The working capital position of the Company is given below :

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	1,324.90	1,682.00
Total	**1,324.90**	**1,682.00**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018.

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2019	49,955.18	5,986.75	16,574.52
	March 31, 2018	43,200.68	5,553.79	21,460.23
Trade payables	March 31, 2019	11,230.80	-	-
	March 31, 2018	11,535.74	-	-
Other financial liabilities	March 31, 2019	288.94	-	-
	March 31, 2018	394.17	-	-

5) Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and euros) and foreign currency borrowings (primarily in U.S. dollars, British pound sterling and euros). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company management believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2019 and March 31, 2018.

(Rs. in Lakhs)

Particulars	As at	US$	Euro	Pound / sterling	Total
Assets					
Trade receivables	March 31, 2019	4,094.15	895.08	44.98	5,034.21
	March 31, 2018	3,118.07	793.28	44.98	3,956.33
Cash and cash equivalents	March 31, 2019	0.77	0.02	0.21	1.00
	March 31, 2018	0.20	0.02	0.38	0.60
Liabilities					
Trade payable	March 31, 2019	221.62	-	-	221.62
	March 31, 2018	3,323.53	272.33	-	3,595.86
Borrowings	March 31, 2019	9,477.12	-	-	9,477.12
	March 31, 2018	9,313.86	-	-	9,313.86
Net assets/(liabilities)	**March 31, 2019**	**(5,603.82)**	**895.10**	**45.19**	**(4,664.53)**
	March 31, 2018	**(9,519.12)**	**520.97**	**45.36**	**(8,953.39)**

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Impact on profit for the year	280.19	475.96

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

6) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase / (decrease) in the Profit for the year	(696.63)	(596.67)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

7) **Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Total equity attributable to the equity shareholders of the company	**34,355.78**	**32,366.27**
As percentage of total capital	32%	32%
Current borrowings	44,377.78	39,491.56
Non-current borrowings	28,138.67	30,723.14
Total borrowings	**72,516.45**	**70,214.70**
As a percentage of total capital	**68%**	**68%**
Total capital (borrowings and equity)	**1,06,872.23**	**1,02,580.97**

The Company is predominantly debt financed which is evident from the capital structure table.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

34 Business combination

a) Summary of acquisition

As at April 1, 2017 the Holding Company held 33.33% of equity interest in Young Brand Apparel Priavte Limited ("YBAPL") , a manufacturer of ready made garments. Accordingly YBAPL was considered as a Joint Venture till July 5, 2017. On July 6, 2017 the Holding Company acquired additional 18% of the issued share capital of YBAPL. This acquisition of controlling stake will enable the group to expand its market in India with respect to ready made garments.

The assets and liabilities recognised as a result of the acquisition are as follows : (Rs. in Lakhs)

Particulars	Amount
Assets	
Property plant and equipment	7,076.94
Deferred tax asset	261.70
Inventories	3,879.72
Trade Receivables	2,605.62
Cash & bank balances	662.86
Other Current Assets	1,067.98
Loans and Advances	203.21
	15,758.03
Liabilities	
Secured Borrowings	6,159.77
Unsecured Borrowings	212.99
Current Liabilities & Provisions	3,673.37
	10,046.13
Net Assets acquired	**5,711.90**
Calculation of gain on change in control	
Purchase consideration paid in cash for acquisition of additional 18%	304.95
Acquisition date fair value of previously held equity interest in YBAL for acquition of 33.33%	1,903.96
Non-controlling interest in YBAPL	2,779.79
Less: Net identifiable assets acquired	(5,711.90)
Gain on change in control	**(723.20)**

The consolidated profit before tax for the year ended March 31, 2019 includes profit before tax of Rs.746.29 lakhs attributable to the business of YBAPL and Revenue for the year ended March 31, 2019 includes Rs. 17,469.75 lakhs in respect to YBAPL.

Had this acquisition occurred on April 1, 2017, the profit before tax for the year would have been higher by Rs. 461.20 lakhs and revenue for the year ended March 31, 2018, would have increased by Rs.1,721.45 lakhs.

Notes forming part of consolidated financial statements for the year ended March 31, 2019

35 Additional information as required by Paragraph 2 of the General Instructions for preparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit or loss	Amount in Lakhs	As % of consolidated other comprehensive income	Amount in Lakhs	As % of consolidated total comprehensive income	Amount in Lakhs
Holding Company	81.00%	27,933.79	76.00%	1,800.83	13.58%	(9.29)	78.00%	1,791.54
Bannari Amman Spinning Mills Limited (including consolidation adjustments)								-
Indian - Subsidiaries								
Young Brand Apparel Private Limited	19.00%	6,415.78	24.00%	565.85	86.42%	(59.12)	22.00%	506.73
Accel Apparels Private Limited	0.00%	(0.69)	0.00%	(0.57)	0.00%	-	0.00%	(0.57)
Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited)	0.00%	9.49	0.00%	0.29	0.00%	-	0.00%	0.29
Bannari Amman Trendz Private Limited	0.00%	(1.08)	0.00%	0.06	0.00%	-	0.00%	0.06
Bannari Amman Retails Private Limited	0.00%	(1.51)	0.00%	-	-	-	-	-
Total	**100.00%**	**34,355.78**	**100.00%**	**2,366.46**	**100.00%**	**(68.41)**	**100.00%**	**2,298.05**

Notes forming part of consolidated financial statements for the year ended March 31, 2019

36 Prior year comparatives

Prior year figures have been reclassified wherever necessary to confirm current year's classification

The following reclassifications have been done in the previous year figures to confirm current year classification :

Particulars	Rs. in Lakhs
For the year ended March 31, 2018	
Other operating revenue :	
Sale of scrap	29.40
For the year ended March 31, 2019, disclosed under	
Sale of manufactured goods :	
Fabric sales	29.40
For the year ended March 31, 2018	
Other expenses:	
Consumption of stores and spare parts	64.83
Repairs and maintenance - Building	7.12
For the year ended March 31, 2019, disclosed under	
Other expenses:	
Consumption of packing materials	17.08
Repairs and maintenance - Machinery	47.37
Printing and stationery	7.50
For the year ended March 31, 2018	
Other Financial Liabilities:	
Employee payables	704.52
For the year ended March 31, 2019, disclosed under	
Trade payables	
For others	704.52

37 Standards / amendments not yet effective

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 'Leases': On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

C R RAJAGOPAL
Partner

Coimbatore
19th June, 2019

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Financial Performance - Yearwise

(Rs. 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	26535.02	77347.89	5652.94	2880.73	2772.21	16
2016-2017	1575.43	27318.00	86703.47	4402.52	2957.47	1445.05	18
2017-2018	1575.43	27713.08	93164.67	3586.83	2823.26	763.57	16
2018-2019	1575.43	29334.00	101642.61	4912.48	3005.32	1907.16	16

* Turnover = Net Sales + Closing Stock - Opening Stock

* Excludes interdivision transfers

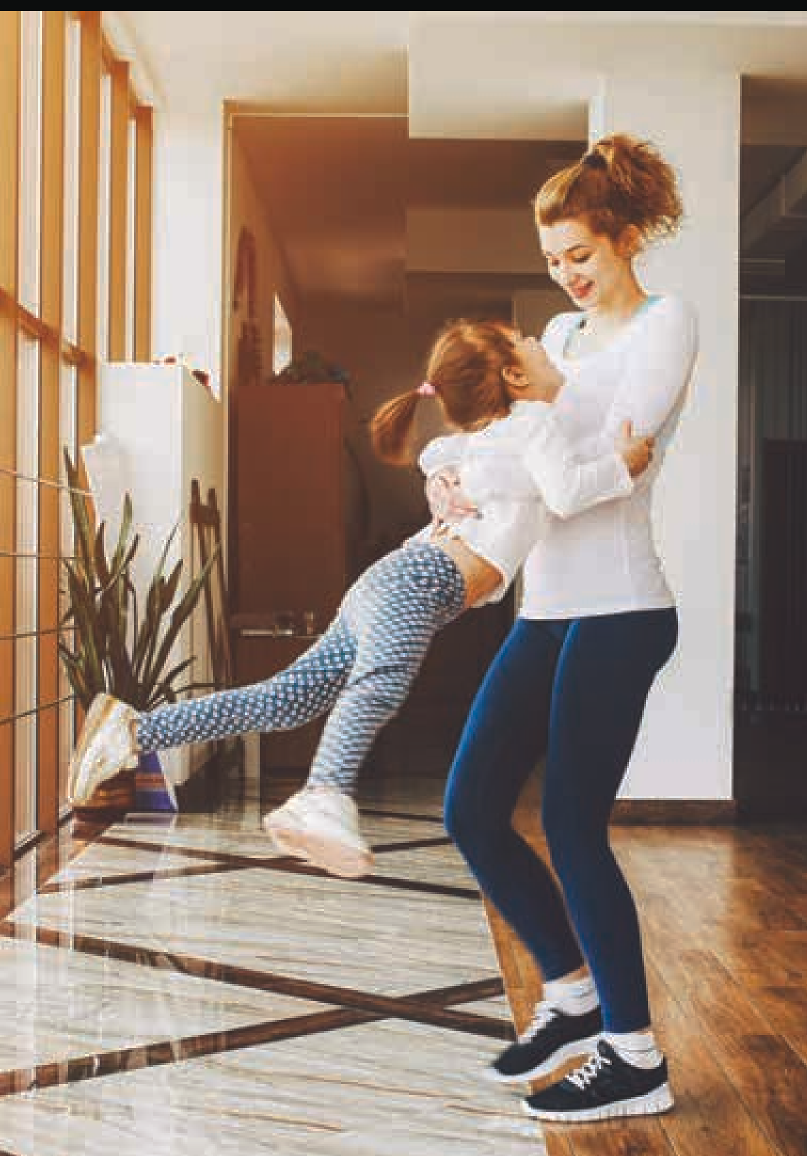
Notes

Notes

Notes

BITZ
ORGANIC COTTON

Bannari Amman Retails Division is Marketing Innerwear & Active Wear brand for Women, Men and Kids in the name of "BITZ" and Juslegz. The brand BITZ and Juslegz features a wide range of products manufactured using advanced precision technology from unique Organic Cotton and Supima Cotton. The key feature of the products is that, all the fabric are made from 100% ORGANIC COTTON and it's Certified by The Global Organic Textile Standard.



Manufactured & Marketed by

BANNARI AMMAN SPINNING MILLS LTD

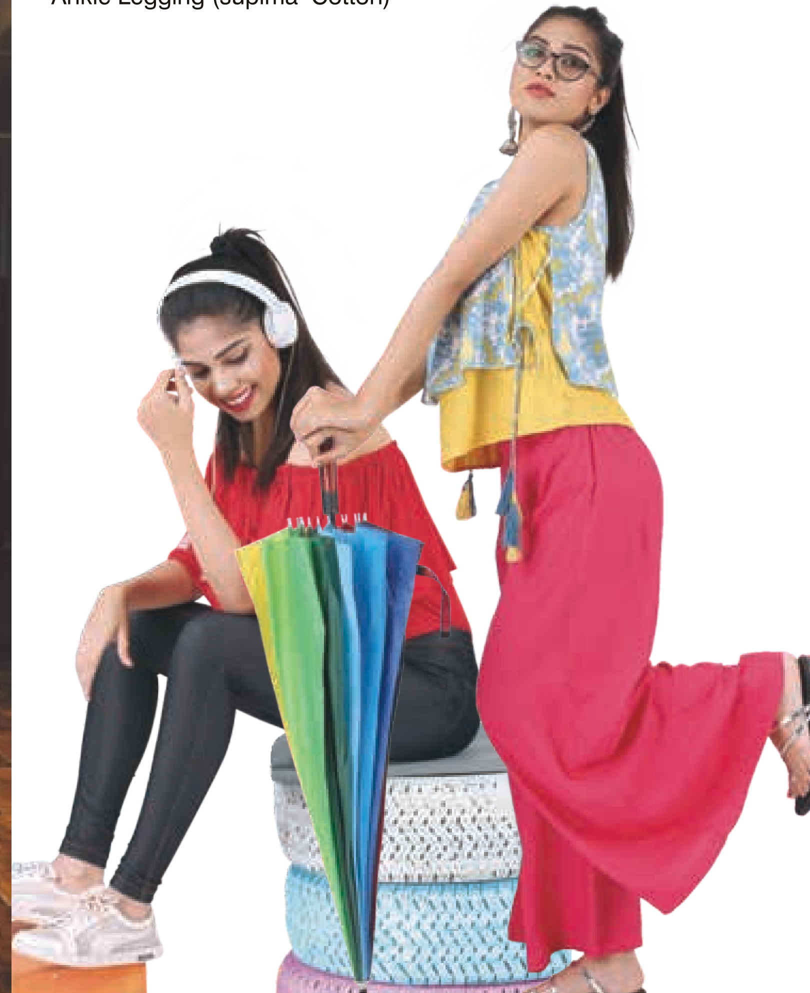
252, Mettupalayam Road, Coimbatore - 641 043.
Tamil Nadu, India.
email : customercare@bitzindia.com

Juslegz

Leg Wear

Range of Products

Churidar Leggings I Ankle Length I 3/4 Legging I Shimmer Leggings Denim Leggings I Palazzo Basic I Palazzo Knit I Premium Palazzo Flared Palazzo I Casual Pant I Patiala I Pencil Pant I Harem Kurti Pants I Jeggings I Denim Jeggings I Premium Jeggings Jeggings Stretch I Churidar Legging (supima Cotton) Ankle Legging (supima Cotton)



Manufactured & Marketed by

BANNARI AMMAN RETAILS PRIVATE LIMITED

252, Mettupalayam Road, Coimbatore - 641 043.
Tamil Nadu, India.
email : customercare@juslegz.com

BANNARI AMMAN SPINNING MILLS LTD
252, Mettupalayam Road, Coimbatore - 641 043.
Tamil Nadu, India.
CIN : L17111TZ1989PLC002476

0422 - 2435555
shares@bannarimills.com
bannarimills.com

BANNARI AMMAN SPINNING MILLS LIMITED

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

FORM NO. MGT -11

PROXY FORM

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

Folio No. / Demat ID
Name & Address of
the member(s):

I/We, being the member(s) holding .... shares of the above named company, hereby appoint:

1. Name : ....
   Address : ....
   E-mail ID : .... Signature .... or failing him /her
2. Name : ....
   Address : ....
   E-mail ID : .... Signature .... or failing him /her
3. Name : ....
   Address : ....
   E-mail ID : .... Signature ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Monday, the 19th day of August, 2019 at 9.45 A.M at "Nani Kalaiarangam", Mani Higher Secondary School,Pappanaickenpalayam, Coimbatore- 641037,Tamilnadu and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.

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Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

Event Number	User ID	* Default PAN / Sequence No.
190106		

* Those who have not registered their PAN may use Default PAN.

Cut here

BANNARI AMMAN SPINNING MILLS LIMITED

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

ATTENDANCE SLIP

Attendance by

- ☐ Member
- ☐ Proxy
- ☐ Authorised Representative

Please ✓ the appropriate box

Folio No. / Demat ID :

No. of Shares held :

Name of Member :

Name of Proxy :

I hereby record my presence at the 29th Annual General Meeting at "Nani Kalaiarangam", Mani Higher Secondary School,Pappanaickenpalayam, Coimbatore- 641037, Tamilnadu at 9.45 AM on Monday, the 19th day of August, 2019.

* Strike out whichever is not applicable.

Signature of Member / Proxy*

Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention No. of shares)		
		For	Against	Abstain
	Ordinary Business			
1.	Approval of Financial Statements both Standalone and Consolidated for the year ended 31st March, 2019,the report of the Board of Directors and the Report of Auditors thereon.			
2.	Declaration of Dividend on Equity Shares.			
3.	Appointment of Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment.			
	Special Business			
4.	Re-appointment of Sri K N V Ramani (DIN 00007931) as Independent Director, pursuant to Sections 149,150,152 and other applicable provisions of the Companies Act, 2013.			
5.	Re-appointment of Dr K R Thillainathan (DIN 00009400) as Independent Director, pursuant to Sections 149,150,152 and other applicable provisions of the Companies Act, 2013.			
6.	Re-appointment of Sri S Palaniswami (DIN 00007901) as Independent Director, pursuant to Sections 149,150,152 and other applicable provisions of the Companies Act, 2013.			
7.	Re-appointment of Sri K Sadhasivam (DIN 00610037) as Independent Director, pursuant to Sections 149,150,152 and other applicable provisions of the Companies Act, 2013.			
8.	Ratification of remuneration payable to Sri M Nagarajan, Cost Auditor, (Firm Reg No.102133).			

Signed this .... day of 2019

Signature of Shareholder ....

Signature of Proxy holder(s) ....

Affix 1 Re Revenue Stamp

Note:

1. This form of proxy in order to be effective, should be duly stamped, completed signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem applicable.