

THANJAVUR SPINNING MILL LIMITED



FORTY EIGHTH ANNUAL REPORT AND ACCOUNTS

2009 - 2010



THANJAVUR SPINNING MILL LIMITED THANJAVUR

BOARD OF DIRECTORS

Shri P.R. RAMASUBRAHMANEYA RAJHA, B.Sc.,
(Chairman)

Dr.K.T. KRISHNAN, M.D.,
(Managing Director)

Shri K.T. RAMACHANDRAN

Shri P.R. VENKETRAMA RAJA

Shri S. KRISHNASWAMY KAMAYA NAICKER

Shri R. SIVASUBRAMANIAN

Shri R.T. IYENGAR

BANKERS

AXIS BANK LTD

CANARA BANK

INDIAN BANK

ICICI BANK LTD

KARUR VYSYA BANK LTD

TAMILNAD MERCANTILE BANK LTD

REGISTERED OFFICE :

"Rajapalayam Mills Premises",
P.A.C. Ramasamy Raja Salai,
Rajapalayam - 626 117.
Tamil Nadu.

AUDITORS :

Messrs N.A. Jayaraman & Co.,
Chartered Accountants,
9, Cedar Wood, No.11, 4th Main Road,
Raja Annamalaipuram,
Chennai - 600 028.

MILLS :

Vallam One Road,
Thanjavur - 613005.

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THANJAVUR SPINNING MILL LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the Forty Eighth Annual General Meeting of the Company will be held at 11.30 A.M on Wednesday, the 4th August, 2010 at P.A.C. Ramasamy Raja Centenary Community Hall, P.A.C. Ramasamy Raja Salai, Rajapalayam to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2.
 - a) To appoint a Director in the place of Shri.K.T. Ramachandran, who retires by rotation and is eligible for re-appointment.
 - b) To appoint a Director in the place of Shri.S.Krishnaswamy Kamaya Naicker, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and, if thought fit, to pass with or without modification, the following Resolution as on ORDINARY RESOLUTION:

“RESOLVED that Sri R. Palaniappan, Prop. M/s. N.A. Jayaraman & Co., Chartered Accountants, Chennai be and are hereby appointed as Auditor of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on remuneration of Rs. 65,000/- (Rupees Sixty five Thousand only) exclusive of out-of pocket expenses.”

SPECIAL BUSINESS :

- 4) To consider and if thought fit to pass with or without modification the following Resolution as an ORDINARY RESOLUTION under Sec.293 (1) (d) of the Companies Act,1956.

“RESOLVED that in supersession of the resolution passed at the Annual General Meeting of the Company held on 25th July, 2007 and pursuant to Section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent of the shareholders be and is hereby accorded to the Board of Directors of the company for borrowing from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board, shall not at any time exceed Rs.250 Crores (Rupees Two hundred and fifty Crores)”.

- 5) To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED that Dr.K.T.Krishnan be and is hereby reappointed pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 as Managing Director of the Company, at a remuneration equivalent to 5% of the net profits of the Company for a further period of 5 years with effect from 10.11.2010 to manage the entire business and affairs of the Company subject to the superintendence, control and directions of the Board”.

THANJAVUR SPINNING MILL LIMITED

“RESOLVED further that the Remuneration Committee be and is hereby authorised to fix the quantum and periodicity of the remuneration payable to the Managing Director subject however the annual remuneration does not exceed 5% of the net profits of the Company in a financial year.”

“RESOLVED further that where in any financial year, the Company has no profits or inadequate profits, the Managing Director be paid –

- a) The maximum remuneration prescribed under Section II, Part II of Schedule XIII of the Companies Act based on the effective capital of the Company and in accordance with the approval of the Remuneration Committee of the Company which is presently Rs. 1,75,000/= per month.
- b) Contribution to provident fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- c) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- d) Encashment of leave at the end of the tenure.”

By Order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
28.05.2010

P.R. RAMASUBRAHMANEYA RAJHA,
CHAIRMAN.

NOTES:

1. Explanatory Statement pursuant to Sec.173(2) of the Companies Act, 1956 in respect of item No. 4 & 5 of the Notice is enclosed
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
3. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. The Register of Members of the Company will be closed from 29.07.2010 to 04.08.2010 (both days inclusive).
5. Under the provisions of Section 205 C of the Companies Act, 1956 dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund (IEP Fund) of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the members who have not claimed their dividend relating to the year 2006-2007 and 2007-2008 may write to the Company for claiming the amount before it is so transferred to the fund.

THANJAVUR SPINNING MILL LIMITED

EXPLANATORY STATEMENT AS REQUIRED UNDER SEC.173 (2) OF THE COMPANIES ACT,1956

ITEM NO. 4

The members of the Company at their Annual General Meeting held on 25th July,2007 had empowered the Board of Directors to borrow Rs.150 Crores (apart from temporary loans obtained from the Companies Bankers in the ordinary course of business). Now the Company's capacity has been increased to 50160 spindles, the Company requires additional funds as the existing limit of borrowing is not sufficient. Hence the consent of the Shareholders to borrow upto a limit of Rs.250 Crores (apart from temporary loans obtained from the Companies Bankers in the ordinary course of business) is being sought by the Board of Directors under Sec.293 (1) (d) of the Companies Act,1956 as an ordinary resolution.

None of the Directors is deemed to be interested in the Resolution.

ITEM NO. 5

Dr.K.T.Krishnan, who has been a Director of the Company since 1974, was appointed as the Joint Managing Director from 01.12.1999 and then appointed as Managing Director of the Company from 09.11.2000 and reappointed from 10.11.2005 for a period of 5 years.

Dr.K.T.Krishnan was reappointed as Managing Director of the Company by the Board of Directors subject to the approval of the shareholders at the Annual General Meeting for a further period of 5 years from 10.11.2010 to 09.11.2015 pursuant to Article 132A of the Articles of Association of the Company and in accordance with the provisions of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

The terms and conditions for reappointment and remuneration payable are set out in the Resolution.

The reappointment and the remuneration proposed fulfill the conditions stipulated in Schedule XIII of the Companies Act,1956 and hence approval of the Central Government is not required.

As the Managing Director had attained the age of 70 years, his reappointment is proposed to be passed as a Special Resolution in the Annual General Meeting and hence approval of the Central Government is not required in this regard also.

As per Clause 1A of Section II of Part II of the ScheduleXIII of the Companies Act,1956 provision for payment of remuneration in case of inadequacy of profits requires approval of the Remuneration Committee to be passed by a Resolution. The details of the minimum remuneration payable are set out in the resolution. Remuneration Committee has passed necessary Resolution at its Meeting held on 28.05.2010 approving the same.

A copy of the terms and conditions of reappointment of the Managing Director is available for inspection by the members at the Registered Office of the Company between business hours on any working day and will also be available for inspection at the forthcoming Annual General Meeting.

The contents of the Resolution along with the Explanatory statement shall be deemed to be an abstract of the terms and conditions of reappointment of Managing Director under Section 302 of the Companies Act,1956 and the Memorandum of interest in that behalf.

None of the Directors except Dr.K.T. Krishnan and Shri.K.T. Ramachandran may be deemed to be concerned or interested in the Resolution.

By Order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
28.05.2010

P.R. RAMASUBRAHMANEYA RAJHA,
CHAIRMAN.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 48th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2010 after charging all expenses but before deducting interest and depreciation have resulted in operating profit of Rs.9,10,73,900/-.

After deducting Rs.5,28,41,122/- towards interest cost and providing Rs.3,52,74,159/- towards Depreciation, the Net Profit for the year is Rs.29,58,619/-. Taking into account the provision of Rs. 5,00,000/- towards Current Tax- MAT and Rs.69,00,000/- towards Deferred Tax Asset, your Directors propose to appropriate the total sum of Rs. 93,58,619/- as detailed below :

Transfer to General Reserve	22,00,000
Balance carried over to Balance Sheet	71,58,619
Total	<u>93,58,619</u>

DIVIDEND

In view of Profit before tax is nominal, your Directors recommend to skip the dividend for the year.

TAXATION

An amount of Rs.5 Lakhs towards current tax (MAT) and Rs.69 Lakhs towards Deferred Tax Asset has been provided for the year. The Company is entitled for MAT credit, which would be carried forward and adjusted against the liability in the subsequent years.

TRADE CONDITIONS

A sign of revival of economy has been witnessed from the last quarter of the financial year under review and the demand for yarn has increased globally. However the financial results of previous 3 quarters had been affected due to various factors viz., economic crisis, higher cotton cost, increased power cost due to power cut, stagnant yarn price etc.,

There was severe power cut in Tamilnadu, which affected the utilisation and productivity levels to some extent. Timely decision taken by your Directors to install Windmills in previous years and purchase of power from Third Party have helped the Company to operate the Mills at optimum utilization level and also helped the Company to tide over the power crisis.

By implementing various cost reduction measures and production of flexible count pattern with more value added yarn, your Directors were able to achieve satisfactory results in the current market scenario.

FINANCE

As reported in the Directors' Report in the previous year, the Company has approached the Banks for reschedulement of Term Loan repayment installments of principal as per the norms suggested by the

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

Reserve Bank of India and all the Banks have approved our reschedulement proposal. However the Company is prompt in making the interest payment on due dates.

The increase in interest cost in recent period is a matter of concern, however with good standing of your company with the lenders, the company is confident of securing loans at optimum costs.

EXPORTS

On the export front during the year, we have made direct export of Cotton Yarn for a value of Rs.3.06 Crores and merchant export of Rs.10.77 Crores as against Rs. 4.14 Crores and Rs 7.97 Crores respectively in the previous year.

EXPANSION

As reported in the Director's Report in the previous year, the Company has successfully implemented the expansion of State of the art 16800 spindles. This project had been commissioned and went into commercial production during March, 2010. The above project is covered under TUF Scheme.

PROSPECTS FOR THE CURRENT YEAR

The cotton prices during 2010-11 continue to prevail at higher levels despite good yield during last cotton season due to export of cotton in huge quantities. The Domestic as well as the International Yarn markets are improving after a long spell of sluggishness. The Government of India has withdrawn Export incentive Schemes viz., Duty Entitlement passbook (DEPB) and Duty Draw back scheme provided to cotton yarn exporters with effect from April, 2010. The Government's decision to withdraw the above scheme is very unfortunate and our prices for Yarn would not be competitive in the Global Market, which in turn will affect the profitability of the Mills.

The Company is maintaining high standards of Quality Yarn, cost effective production and stringent waste control measures. These measures strengthened the Company to face the challenges in the current scenario. By improving productivity, taking various measures for production of value added yarns and other cost reduction measures, your Directors are hopeful of achieving satisfactory results for the current year.

WIND MILL

The Wind Mill Division with an installed capacity of 5 M.W is working satisfactorily. There was good wind velocity during the year compared to previous year, which resulted in higher generation of power. The Division has generated 105 Lakhs Kwh as compared to 88 Lakhs Kwh of the previous year. The income during the year from the Wind Mill Division was Rs 3.93 Crores as against Rs.3.18 Crores of previous year.

PERSONNEL

Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment.

Particulars of employees required to be furnished under section 217(2A) of the Companies Act, 1956, is not applicable to the company.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

INTERNAL CONTROL SYSTEM

Your Company has adequate internal control procedures commensurate with the size and nature of its operations. ERP System developed by Ramco Systems Ltd., has been installed for online monitoring of all functions and management information reports are being used to have better control and to take decisions in time.

DIRECTORS

The following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

1. Shri.K.T.Ramachandran.
2. Shri.S.Krishnaswamy Kamaya Naicker

MANAGING DIRECTOR

Dr.K.T. Krishnan, Managing Director of the Company holds office up to 09.11.2010 and it is proposed to re-appoint him for a further period of 5 years with effect from 10.11.2010 subject to the approval of the Members in Annual General Meeting on the terms and conditions as set out in the Annual General Meeting Notice.

PUBLIC DEPOSITS

The total deposits from the public outstanding with the Company as on 31st March, 2010 was Rs. 11.22 Lakhs. There was no deposits unclaimed / unpaid as on 31-03-2010.

SHARES

The Company's shares are listed in Madras Stock Exchange Ltd., Chennai. The Company had paid listing fees to the Stock Exchange for the financial year 2010-2011.

AUDITORS

Mr. R. Palaniappan Proprietor M/S. N.A.Jayaraman & Co, Chartered Accountants, Chennai, Auditor of the Company retire at the end of the 48th Annual General Meeting and are eligible for re-appointment.

COST AUDITORS

The Government has approved the Company's proposal to appoint Shri.A.N. Raman, Cost Accountant, Chennai for audit of Company's cost accounts for the year ended 31-03-2010 on a remuneration of Rs. 20,000/- exclusive of out-of-pocket expenses. As per Central Government's direction, cost audit will be done every year.

CONSERVATION OF ENERGY, ETC.,

The Company continues to take keen interest in conservation of energy and the information required under Section 217(1) (e) of the Companies Act, 1956 read with the relevant Rules, with regard to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure I to this report.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors Confirm that -

- i) In the preparation of Annual Accounts for the year ended 31st March 2010, the applicable accounting standards had been followed;
- ii) The selected accounting policies were applied consistently and judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period.
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act had been taken for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts were prepared on a going concern basis.

Secretarial Compliance Certificate issued by practicing Company Secretary u/s.383(A) of the Companies Act,1956 is given in Annexure II to this report.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
28.05.2010

P.R. RAMASUBRAHMANEYA RAJHA,
CHAIRMAN.

THANJAVUR SPINNING MILL LIMITED

ANNEXURE I TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

- | | |
|---|---|
| a) Energy conservation measures taken | The Company is continuously making efforts to conserve energy.

Energy saving devices have already been installed and energy consumption is constantly monitored. |
| b) Additional investments and proposals if any, being implemented for reduction of consumption of energy. | |
| c) Impact of measures at (a) and (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods. | |
| d) Total energy consumption per unit of Production of goods. | |
- : Particulars given in Form "A"

B. TECHNOLOGY ABSORPTION

- e) Efforts made in Technology Absorption : Particulars given in Form "B"

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|---|---|
| f) i) Activities relating to Exports | The possibilities of exporting yarn to other Asian countries, Western countries including EEC countries are being explored. |
| ii) Initiatives taken to increase exports | |
| iii) Development of new export markets for products and service | |
| iv) Export Plans | |
- g) i) Total foreign exchange outgo (Including Capital Goods) : Rs. 17.86 Crores
- ii) Total foreign exchange earned (FOB Value) : Rs. 2.99 Crores

THANJAVUR SPINNING MILL LIMITED

Form - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

		2009-2010	2008-2009
1. ELECTRICITY			
a) Purchased from Electricity Board			
Units	Lakhs KWH	119.44	125.77
Total Amount	Rs. in Lakhs	553.16	535.67
Rate per unit	Rs.	4.63	4.26
b) Own Generation			
Through Diesel Generator			
Units	Lakhs KWH	3.45	14.44
Units per litre of Diesel Oil	KWH	3.45	3.27
Cost per Unit	Rs.	10.74	11.16
c) Purchased from Third Party			
Units	Lakhs KWH	44.75	6.24
Total Amount	Rs. in Lakhs	246.10	34.34
Rate per unit	Rs.	5.50	5.50
2. DIESEL OIL			
Quantity	Lakhs Ltrs	0.99	4.42
Total Cost	Rs. in Lakhs	36.30	158.35
Average Cost per Litre	Rs.	36.34	35.84

B. CONSUMPTION PER UNIT OF PRODUCTION

Products : Cotton Yarn			
Unit : Kgs. (40s Converted).		30,15,180	26,98,706
Electricity unit / Kg.		5.56	5.43
(Based on 40s converted production).			

NOTE:

1. No standard rate of consumption can be given as several factors enter into the picture.
2. As the Company is producing various counts separate details for each count are not given.

THANJAVUR SPINNING MILL LIMITED

Form - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

- | | | |
|--|---|-----|
| <ol style="list-style-type: none">1. Specific areas in which R & D carried out by the Company2. Benefits derived as a result of the above R & D3. Future plan of action4. Expenditure on R & D<ol style="list-style-type: none">(a) Capital(b) Recurring(c) Total(d) Total R&D expenditure as a percentage of total turnover | } | Nil |
|--|---|-----|

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | | |
|--|---|-----|
| <ol style="list-style-type: none">1. Efforts, in brief made towards technology absorption, adaptation and innovation.2. Benefits derived as a result of the above efforts e.g.product improvement, cost reduction, project development, import substitution, etc.,3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished<ol style="list-style-type: none">a) Technology importedb) Year of importc) Has technology been fully absorbed ?d) If not fully absorbed, areas where this has not taken place, reason therefor and future plans of action | } | Nil |
|--|---|-----|

THANJAVUR SPINNING MILL LIMITED

ANNEXURE II TO DIRECTORS' REPORT COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH, 2010

CIN: L17111TN1961PLC004505
Nominal Capital: Rs.5,00,00,000/-

To

The Members
THANJAVUR SPINNING MILL LIMITED
"Rajapalayam Mills Premises"
P.A.C. Ramasamy Raja Salai
Rajapalayam – 626117.

Sir,

I have examined the registers, records, books and papers of THANJAVUR SPINNING MILL LIMITED [the Company] as required to be maintained under the Companies Act, 1956, [the Act] and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2010 [financial year]. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies and Central Government within the time prescribed under the Act and the rules made there under.
3. The company is a public limited company and its paid up capital is Rs.2.70 Crores.
4. The Board of Directors duly met four times respectively on 25.05.2009, 27.07.2009, 30.10.2009 and 30.01.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 01.08.2009 to 06.08.2009 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 06.08.2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.

THANJAVUR SPINNING MILL LIMITED

9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. No duplicate Share Certificates were issued during the year.
13. The Company has:
 - i) Delivered all the certificates on lodgement thereof for transfer/transmission in accordance with the provisions of the Act. However there was no allotment of securities during the financial year.
 - ii) The Company has not deposited any dividend in a separate bank account as no dividend was declared during the financial year.
 - iii) The Company was not required to post warrants to any members of the company as no dividend was declared during the financial year.
 - iv) The company has no amounts in unpaid dividend account application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be transferred to Investor Education and Protection Fund.
 - v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of Alternate directors, Additional directors and Directors to fill casual vacancy during the financial year.
15. The reappointment of Managing Director with effect from 10.11.2005 has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act in the financial year ended 31.03.2006, which is valid upto 09.11.2010 .
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has applied for approval of appointment of Cost Auditor for year ended 31.03.2010 and has filed Form 23C on 05.06.2009. However the Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.

THANJAVUR SPINNING MILL LIMITED

20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares / debentures during the year. Hence the question of redemption of preference shares or debentures during the financial year does not arise.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of Section 58 A / 58AA read with Companies (Acceptance of Deposits) Rules 1975 in respect of deposits accepted by the company during the year and the company has filed statement in lieu of advertisement with the Registrar of Companies, Chennai on 06.08.2009. The Company has also filed return of deposits with Registrar of Companies, Chennai on 20.06.2009.
24. The amount borrowed by the Company from Directors banks and others during the financial year ending 31.03.2010 are within the borrowing limits of the company and that necessary resolutions as per Section 293(1) (d) of the Act have been passed in duly convened Annual General Meeting held on 25.07.2007 for Rs.150 Crores.
25. The Company has made investments, in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. However the Company has not made any loans or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. Since Employees Provident Fund Act,1952 is applicable, Sec.418 is not applicable.

RAJAPALAYAM,
24.05.2010

M.R.L. NARASIMHA
Practicing Company Secretary
C.P. No: 799

THANJAVUR SPINNING MILL LIMITED

ANNEXURE 'A'

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH, 2010.

THANJAVUR SPINNING MILL LIMITED

CIN: L17111TN1961PLC004505

Nominal Capital: Rs. 5,00,00,000

Registers as maintained by the Company:

- 1) Register of Members u/s.150.
- 2) Register of Directors u/s.303.
- 3) Register of Share Transfer.
- 4) Board Meeting Minutes u/s.193.
- 5) Annual General Meeting Minutes u/s.193.
- 6) Register of charges and documents evidencing creation of charges u/s.136.
- 7) Register of Contracts in which Directors are interested u/s.301 and 301(3).
- 8) Register of Attendance cum Sitting Fees of Directors.
- 9) Share Transfer Committee Attendance Cum-Sitting Fees Register
- 10) Register of Investments.
- 11) AGM Attendance register.
- 12) Register of Directors Share holding u/s. 307.
- 13) Share Transfer Committee Minutes.
- 14) Remuneration committee minutes.
- 15) Register of Deposits under rule 7 of Companies (Acceptance of Deposit) Rule 1975.
- 16) Register of Proxies
- 17) Register for issue of share certificates

RAJAPALAYAM,
24.05.2010

M.R.L. NARASIMHA
Practicing Company Secretary
C.P. No: 799

THANJAVUR SPINNING MILL LIMITED

ANNEXURE 'B'

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH, 2010.

THANJAVUR SPINNING MILL LIMITED

CIN: L17111TN1961PLC004505

Nominal Capital: Rs. 5,00,00,000

Forms and Returns filed by the Company with the Registrar of Companies during the Financial Year Ending 31st March, 2010:

Sl. No.	Form No. Return	Filed U/s.	For	Date of Filing SRN.	Whether filed within prescribed time	If delay in Filing whether Requisite Additional fees paid.
1.	8	125	Creation of charge	09.04.2009 A59626341	Yes	Not applicable
2.	17	138	Satisfaction of charge	06.05.2009 A61275756	Yes	Not applicable
3.	8	135	Modification of Charge	28.05.2009 A62545579	Yes	Not applicable
4.	8	135	Modification of Charge	29.05.2009 A62621669	Yes	Not applicable
5.	8	135	Modification of Charge	29.05.2009 A62622477	Yes	Not applicable
6.	8	135	Modification of Charge	29.05.2009 A62622774	Yes	Not applicable
7.	8	135	Modification of Charge	29.05.2009 A62641758	Yes	Not applicable
8.	8	135	Modification of Charge	29.05.2009 A62642038	Yes	Not applicable
9.	62	Rule 10 companies (Acceptance of Deposits rules 1975)	Return of Deposits	20.06.2009 A63863591	Yes	Not applicable
10.	62	Rule 4A of companies (Acceptance of Deposits rules 1975)	Statement in lieu of Advertisement	06.08.2009 A66707654	Yes	Not applicable
11.	66	383A	Secretarial Compliance Certificate for the year ended 31.03.2009	08.08.2009 A33701137	Yes	Not applicable

THANJAVUR SPINNING MILL LIMITED

Sl. No.	Form No. Return	Filed U/s.	For	Date of Filing SRN.	Whether filed within prescribed time	If delay in Filing whether Requisite Additional fees paid.
12.	23AC 23ACA	220	Balance Sheet Profit and Loss Account as at 31.03.2009	31.08.2009 P34184028	Yes	Not applicable
13.	20B	159	Annual Return Made upto 06.08.2009	21.09.2009 P34788240	Yes	Not applicable
14.	8	125	Creation of charges	25.03.2010 A81463986	Yes	Not applicable

Central Government

1.	23C	233 (B)	Appointment of Cost Auditor for the year ended 31.03.2010	05.06.2009 A63064182	Yes	Not applicable
2.	1	233 (B) 600 (3) (b)	Filing of cost audit report for the year ended 31.03.2009	23.09.2009 A69769453	Yes	Not applicable

Regional Director and other authorities - Nil

RAJAPALAYAM,
24.05.2010

M.R.L. NARASIMHA
Practicing Company Secretary
C.P. No: 799

THANJAVUR SPINNING MILL LIMITED

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached balance sheet of Thanjavur Spinning Mill Limited as at 31st March 2010, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representation received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2010;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN - 001310S

R. Palaniappan
Proprietor
Membership No. 205112

Rajapalayam,
28.05.2010.

THANJAVUR SPINNING MILL LIMITED

AUDITORS' REPORT TO THE MEMBERS

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to the member of Thanjavur Spinning Mill Limited (the Company) for the year ended March 31, 2010. We report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The management is having a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) No Substantial part of the fixed assets of the company has been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company had taken loan from other companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.27.50 Crores and the year-end balance of loans taken from such parties was Rs.25.50 Crores.
 - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
 - (d) There is no overdue amount of loans taken from companies or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

THANJAVUR SPINNING MILL LIMITED

AUDITORS' REPORT TO THE MEMBERS

- (v) According to the information and explanations given to us, we are of opinion, that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act have been so entered, and the transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us ,the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales tax, customs duty, investor education and protection fund, wealth tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, sales tax, service tax, wealth tax, customs duty and cess were outstanding at 31st March, 2010 for a period of more than six months from the date they became payable. According to the information and explanations given to us, there are no dues in respect of income tax, customs duty, wealth tax, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and has incurred cash profit in the financial year but incurred cash loss in the financial year immediately preceding such financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.
- (xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order are not applicable.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the order is not applicable.

THANJAVUR SPINNING MILL LIMITED

AUDITORS' REPORT TO THE MEMBERS

- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, clause 4 (xviii) of the order is not applicable.
- (xix) The Company has not issued any debentures. Accordingly, clause 4 (xix) of the order is not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, clause 4 (xx) of the order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Rajapalayam,
28.05.2010.

For N.A. JAYARAMAN & CO.,
Chartered Accountants
FRN - 001310S

R. Palaniappan
Proprietor
Membership No. 205112

THANJAVUR SPINNING MILL LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2010

(In Rupees)

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	2,70,00,000	2,70,00,000
Reserves and Surplus	2	<u>2,50,35,182</u>	<u>1,56,76,563</u>
		5,20,35,182	4,26,76,563
Loan Funds			
Secured Loans	3	97,07,70,855	59,66,10,157
Unsecured Loans	4	<u>25,61,22,000</u>	<u>10,93,61,000</u>
		122,68,92,855	70,59,71,157
Deferred Tax Liability		94,13,078	1,63,13,078
		<u>128,83,41,115</u>	<u>76,49,60,798</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		122,35,05,602	71,39,50,378
Less: Depreciation		<u>21,71,86,323</u>	<u>18,49,45,542</u>
Net Block	6	100,63,19,279	52,90,04,836
Add: Capital work-in-progress		<u>35,94,665</u>	<u>11,79,83,093</u>
		100,99,13,944	64,69,87,929
Investments	7	2,500	2,500
Current Assets, Loans & Advances			
Interest Accrued on Deposits		10,041	—
Inventories		19,33,48,957	6,70,35,003
Sundry Debtors		3,97,21,525	2,68,28,649
Cash & Bank Balances		1,17,73,229	17,26,075
Loans & Advances		<u>7,83,23,485</u>	<u>6,76,39,723</u>
		32,31,77,237	16,32,29,450
Less: Current Liabilities & Provisions			
Current Liabilities		3,16,00,157	3,21,65,051
Provisions		<u>1,33,50,014</u>	<u>1,35,14,931</u>
		4,49,50,171	4,56,79,982
Net Current Assets		27,82,27,066	11,75,49,468
Miscellaneous Expenditure		1,97,605	4,20,901
		<u>128,83,41,115</u>	<u>76,49,60,798</u>

SIGNIFICANT ACCOUNTING POLICIES 15

NOTES ON ACCOUNTS 16

The Schedules referred to above form part of the accounts

(As per our report annexed)

For N.A. JAYARAMAN & Co
Chartered Accountants
FRN - 001310S

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KRISHNASWAMY KAMAYA NAICKER
R. SIVASUBRAMANIAN
R.T. IYENGAR

R. PALANIAPPAN
Proprietor.
Membership No.205112.

Dr. K.T. KRISHNAN
MANAGING DIRECTOR

DIRECTORS

RAJAPALAYAM,
28.05.2010.

THANJAVUR SPINNING MILL LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		Year ended 31.03.2010	(In Rupees) Year ended 31.03.2009
INCOME			
Sales		47,61,74,487	36,68,92,036
Value of Power Generated from Wind Mills		3,93,25,848	3,18,21,359
Other Income	9	1,93,02,846	65,53,774
Increase/(Decrease) in Stock	10	75,24,427	(22,56,195)
		<u>54,23,27,608</u>	<u>40,30,10,974</u>
EXPENDITURE			
Raw Materials Consumed		27,68,40,966	21,84,80,576
Salaries, Wages & Other amenities to employees	11	4,47,59,550	3,62,60,248
Power & Fuel		8,35,51,732	7,31,08,147
Packing Materials Consumed		86,40,977	70,92,797
Repairs & Maintenance	12	1,70,83,434	1,38,07,584
Interest & Finance Charges	13	5,28,41,122	3,72,50,237
Managing Director's Remuneration		7,62,000	7,62,000
Licences & Taxes		10,20,191	7,65,226
Deferred Revenue Expenses		2,23,296	5,83,700
Administrative Expenses	14	1,83,71,562	1,73,55,623
Depreciation		3,52,74,159	3,27,26,163
Provision for Taxation:			
Current Tax - MAT		5,00,000	—
Deferred Tax Asset		(69,00,000)	(27,68,000)
Fringe Benefit Tax		—	2,20,000
		<u>53,29,68,989</u>	<u>43,56,44,301</u>
Profit / (Loss) for the year		93,58,619	(3,26,33,327)
Add: Balance brought forward from previous year		—	14,65,835
Balance		<u>93,58,619</u>	<u>(3,11,67,492)</u>
Appropriated as:			
Transfer to General Reserve		22,00,000	—
Balance carried to Balance Sheet		71,58,619	(3,11,67,492)
		<u>93,58,619</u>	<u>(3,11,67,492)</u>
Earnings per share (Basic & Diluted)		3	(12)
SIGNIFICANT ACCOUNTING POLICIES	15		
NOTES ON ACCOUNTS	16		
The Schedules referred to above form part of the accounts			

(As per our report annexed)

For N.A. JAYARAMAN & Co
Chartered Accountants
FRN - 001310S

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KRISHNASWAMY KAMAYA NAICKER
R. SIVASUBRAMANIAN
R.T. IYENGAR

R. PALANIAPPAN
Proprietor.
Membership No.205112.

Dr. K.T. KRISHNAN
MANAGING DIRECTOR

DIRECTORS

RAJAPALAYAM,
28.05.2010.

THANJAVUR SPINNING MILL LIMITED
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

	(In Rupees)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE 1		
SHARE CAPITAL :		
Authorised:		
50,00,000 Equity Shares of Rs. 10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid-up:		
27,00,000 Equity Shares of Rs.10/- each (Of the above 9,00,000 shares were allotted as fully paid bonus shares by way of Capitalisation of Reserves)	2,70,00,000	2,70,00,000
SCHEDULE 2		
RESERVES AND SURPLUS :		
a) Share Premium	60,00,000	60,00,000
b) General Reserve		
As per last Balance Sheet	96,76,563	4,08,44,055
Add: Transfer from Profit and Loss A/c	<u>22,00,000</u>	<u>(3,11,67,492)</u>
	1,18,76,563	96,76,563
c) Surplus		
Balance in Profit & Loss Account	71,58,619	—
	<u>2,50,35,182</u>	<u>1,56,76,563</u>
SCHEDULE 3		
SECURED LOANS:		
Loans and Advances from Banks	97,07,70,855	59,66,10,157

Notes :

1. Term Loans from Banks are secured by pari-passu first charge on the fixed assets of the company and pari-passu second charge on the current assets of the company. Term Loan from Canara Bank Rs. 1,870 Lakhs (P.Y. Rs. 1,678 Lakhs), Karur Vysya Bank Rs. 959 Lakhs (P.Y. Rs. 973 Lakhs) and Indian Bank Rs. 4,658 Lakhs (P.Y. Rs. 1,811 Lakhs) are backed by corporate guarantee of M/s. Rajapalayam Mills Ltd. Term Loan from Axis Bank Rs. 1,000 Lakhs (P.Y. Rs. 1,000 Lakhs) is backed by corporate guarantee of M/s Madras Cements Ltd.
2. Working Capital Borrowings from Tamilnad Mercantile Bank an amount of Rs. 221 Lakhs (P.Y. Rs. 504 Lakhs) are secured by pari-passu first charge on current assets of the company and pari-passu second charge on the fixed assets of the company is backed by corporate guarantee of M/s. Madras Cements Ltd.
3. An amount of Rs. 1,000 Lakhs (P.Y. Rs. Nil) short term loan from ICICI Bank is secured by subservient charge on current assets of the company.

THANJAVUR SPINNING MILL LIMITED
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

(In Rupees)

As at 31.03.2010

As at 31.03.2009

SCHEDULE 4
UNSECURED LOANS:

Short Term loans - ICD	25,50,00,000	10,85,00,000
Cumulative Deposit	11,22,000	8,61,000
	<u>25,61,22,000</u>	<u>10,93,61,000</u>

SCHEDULE 5
CURRENT LIABILITIES & PROVISIONS:

A. CURRENT LIABILITIES:

a) Liability for purchases	1,61,18,517	1,96,73,420
b) Liability for Expenses	1,18,28,550	74,08,484
c) Liability for other finance	32,89,030	48,22,049
d) Unclaimed Dividend	2,40,434	2,46,275
e) Interest Accrued on CD	1,23,626	14,823
	<u>3,16,00,157</u>	<u>3,21,65,051</u>

B. PROVISIONS:

a) Provisions	1,33,50,014	1,35,14,931
	<u>4,49,50,171</u>	<u>4,56,79,982</u>

THANJAVUR SPINNING MILL LIMITED.
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE 6
FIXED ASSETS :

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 01.04.2009	ADDITIONS	DELETIONS	COST AS AT 31.03.2010	UP TO 31.03.2009	FOR THE YEAR	WITHDRAWN	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
	Land & Developments	73,94,798	—	588	73,94,210	—	—	—	—	73,94,210
Buildings	4,80,34,710	12,00,50,115	—	16,80,84,825	1,12,34,731	14,32,776	—	1,26,67,507	15,54,17,318	3,67,99,979
Plant & Machinery	61,91,79,825	36,44,44,695	53,93,870	97,82,30,650	15,12,15,949	3,19,06,841	29,93,536	18,01,29,254	79,81,01,396	46,79,63,876
Electrical Machinery	2,98,03,678	2,95,89,104	—	5,93,92,782	1,65,67,545	8,74,963	—	1,74,42,508	4,19,50,274	1,32,36,133
Computer Machinery	32,66,425	1,28,100	—	33,94,525	19,65,735	5,21,679	—	24,87,414	9,07,111	13,00,690
Furniture, Fixtures & Office Equipments	48,48,212	5,17,168	65,500	52,99,880	30,58,429	3,86,212	39,842	34,04,799	18,95,081	17,89,783
Vehicles	14,22,730	2,86,000	—	17,08,730	9,03,153	1,51,688	—	10,54,841	6,53,889	5,19,577
Total	71,39,50,378	51,50,15,182	54,59,958	122,35,05,602	18,49,45,542	3,52,74,159	30,33,378	21,71,86,323	100,63,19,279	52,90,04,836

(In Rupees)

THANJAVUR SPINNING MILL LIMITED
SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

(In Rupees)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 7		
INVESTMENTS:		
UNQUOTED (AT COST)		
Shares in Thanjavur Textiles		
Emp.Co-operative Stores Ltd.	2,500	2,500
SCHEDULE 8		
CURRENT ASSETS, LOANS & ADVANCES:		
A. CURRENT ASSETS:		
Interest accrued on Deposits	10,041	—
Inventories:		
Stock of stores and spares	24,52,296	20,40,764
Finished Goods-Yarn	1,57,12,837	1,44,44,685
Raw Materials	16,18,24,310	4,34,46,315
Saleable Cotton Waste	5,88,800	2,18,575
Process Stock	1,27,70,714	68,84,664
	19,33,48,957	6,70,35,003
Sundry Debtors:		
(Unsecured but considered good)		
Outstanding for more than six months	—	—
Other Debts	3,97,21,525	2,68,28,649
	3,97,21,525	2,68,28,649
Cash and Bank Balances:		
i) Cash on hand	1,07,736	68,687
ii) Bank balances:		
- in Current Account	1,14,25,059	14,11,113
- in Unclaimed Dividend 2006-07	1,29,588	1,31,688
- in Unclaimed Dividend 2007-08	1,10,846	1,14,587
	1,17,73,229	17,26,075
B. LOANS AND ADVANCES & DEPOSITS:		
(Unsecured but considered good)		
Advances recoverable in cash or in kind	5,10,03,781	4,47,24,353
Deposits with Govt. & other Deposits	1,12,76,920	86,49,660
Prepaid Expenses	32,47,947	16,55,954
Advance Income Tax and TDS	1,27,94,837	1,26,09,756
	7,83,23,485	6,76,39,723
	32,31,77,237	16,32,29,450
SCHEDULE 9		
	For the year ended 31.03.2010	For the year ended 31.03.2009
OTHER INCOME:		
Waste Cotton Sales	46,39,644	41,46,862
Interest Received (TDS Rs.1,27,403/-)	6,74,628	6,08,991
Export Incentives	—	15,41,603
Miscellaneous Income	1,29,734	55,496
Exchange Fluctuation (Net)	4,83,009	—
Profit on sale of assets	1,33,54,420	2,00,822
Packing & Forwarding Collected	21,411	—
	1,93,02,846	65,53,774

THANJAVUR SPINNING MILL LIMITED
SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

	For the year ended 31.03.2010	(In Rupees) For the year ended 31.03.2009
SCHEDULE 10		
INCREASE/(DECREASE) IN STOCKS:		
Closing Stock:		
Process Stock	1,27,70,714	68,84,664
Finished Goods - Yarn	1,57,12,837	1,44,44,685
Saleable Cotton Waste	5,88,800	2,18,575
	<u>2,90,72,351</u>	<u>2,15,47,924</u>
Opening Stock		
Process Stock	68,84,664	50,50,286
Finished Goods - Yarn	1,44,44,685	1,82,24,513
Saleable Cotton Waste	2,18,575	5,29,320
	<u>2,15,47,924</u>	<u>2,38,04,119</u>
	<u>75,24,427</u>	<u>(22,56,195)</u>
SCHEDULE 11		
SALARIES, WAGES AND OTHER AMENITIES TO EMPLOYEES:		
Salaries, Wages & Bonus	3,39,13,103	2,97,97,363
Contribution to Provident Fund and other Funds	68,28,809	45,19,799
Staff & Labour Welfare Expenses	40,17,638	19,43,086
	<u>4,47,59,550</u>	<u>3,62,60,248</u>
SCHEDULE 12		
REPAIRS & MAINTENANCE :		
Repairs to Buildings	21,33,398	21,26,775
Repairs to Machinery	1,26,29,018	1,09,41,943
Repairs - General	23,21,018	7,38,866
	<u>1,70,83,434</u>	<u>1,38,07,584</u>
SCHEDULE 13		
INTEREST & FINANCE CHARGES :		
Interest on Fixed Loans	3,43,74,397	2,90,98,909
Interest on Cumulative Deposits	1,08,803	15,816
Interest on Other Loans	1,83,57,922	81,35,512
	<u>5,28,41,122</u>	<u>3,72,50,237</u>
SCHEDULE 14		
ADMINISTRATIVE EXPENSES :		
Postage, Telegram & Telephone	6,05,029	6,10,060
Printing & Stationery	3,08,611	2,27,039
Travelling & Conveyance	6,32,107	5,35,673
Maintenance of Motor Car & Other Vehicles	3,87,387	2,69,270
Insurance	8,43,746	9,23,124
Bank charges	15,08,664	13,33,871
Sales Expenses & Commission	1,05,17,127	76,78,555
Export Sales Expenses	20,52,678	30,43,031
Exchange Fluctuations (Net)	—	13,71,982
Directors Sitting Fees	90,000	1,10,000
Rent	2,70,583	2,13,150
Audit, Accountancy & Legal Charges	6,15,026	7,22,606
Miscellaneous Expenses	5,40,604	3,17,262
	<u>1,83,71,562</u>	<u>1,73,55,623</u>

THANJAVUR SPINNING MILL LIMITED

SCHEDULE 15 :

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of Financial Statements

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 1956, as adopted consistently by the Company.
- (ii) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Depreciation

(i) For Buildings, Plant & Machinery and Electrical Machineries

Depreciation has been provided on straight-line basis at the rate specified under Rules / Schedule XIV to the Companies Act, 1956, prevailing at the time of acquisition of the Asset.

(ii) On Other Assets

Under Written Down Value Method as per rates specified in Schedule XIV.

3. Investments

All Investments being long term & non-trade are stated at cost.

4. Fixed Assets

Fixed Assets are stated at cost (net of CENVAT/VAT wherever applicable) less accumulated Depreciation.

5. Inventories

- (i) Raw-materials, stores, spares, packing materials etc., are valued at cost, including the cost incurred in bringing the inventories to their present location and condition or net realizable value whichever is lower.
- (ii) Process stock is valued at Cost, including the cost of conversion. The cost of conversion includes direct costs.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

6. Sales

Net Sales exclude VAT / CST.

7. Income from Wind Mills

Units generated from windmills are adjusted against the consumption of power at our Mills. The monetary value of the units so adjusted, calculated at the prevailing EB rates net of wheeling charges has been included in power and fuel and the same value has been taken as Income from windmills in Profit and Loss Account. The value of unadjusted units as on Balance Sheet date has been included under Loans and Advances.

THANJAVUR SPINNING MILL LIMITED

SIGNIFICANT ACCOUNTING POLICIES

8. Employee Benefits

- i) Short-term employee benefit viz., Salaries and Wages, are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
- ii) Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the profit and loss account for the year in which the employees have rendered services. The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary. The Company also contributed for superannuation a sum equivalent to 15% of the employee's eligible basic salary to funds administered by trustees and managed by LIC of India annually. There are no other obligations other than the above defined contribution plans.

iii) Defined Benefit Plan

Gratuity

The Company has its own approved Gratuity Fund. It is in the form of lumpsum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 day's basic salary payable for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to funds administered by trustees and managed by LIC of India, based on the actuarial valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

Leave Encashment

The Company has a policy of encashing unavailed leaves for its employees. The obligation for the leave encashment is recognized based on an independent external actuarial valuation at the Balance Sheet date. The expense is recognized at the present value of the amount payable determined based on actuarial valuation using projected unit credit method.

9. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Un-provided contingent liabilities are disclosed in the Accounts by way of Notes. Contingent Assets are not recognized.

10. Research and Development

No such expenses incurred during the year.

11. Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of those assets as per AS-16. All other borrowing costs are charged to revenue.

12. Government Subsidy / Grant

Interest subsidy under Technology Upgradation Fund Scheme (TUF) is credited to the Interest and Finance Charges.

13. Foreign Currency Transactions

- a. Transactions in Foreign Currency are accounted at the exchange rates prevailing during the period of transactions.

THANJAVUR SPINNING MILL LIMITED

SIGNIFICANT ACCOUNTING POLICIES

- b. Covered liabilities in foreign currencies are accounted at the rate at which they have been covered. Uncovered liabilities in Foreign Currency are accounted at the rates as on the Balance Sheet date.
- c. The Exchange difference arising out of Foreign Currency loan specifically availed for acquisition of assets has been adjusted in the cost of assets as per AS-11 (Revised).
- d. Exchange difference in respect of uncovered foreign currency liabilities are recognized in the profit and loss account.

14. Earning Per Share

Net Profit after tax is divided by the number of equity shares outstanding as on Balance Sheet date.

15. Income Tax

The tax provision is considered as stipulated in Accounting Standard-22 (Accounting for Taxes on income) and includes current tax (MAT) and deferred tax. The Company also recognizes the deferred tax asset based on the accumulated timing difference using the current tax rate.

16. Segment Reporting

The Company has disclosed business segment as the primary segment as per AS-17. The two reportable segments viz., Textiles and Power generation from Windmills were identified considering the nature of the products, the differing risks and returns. The valuation of inter segment transfers are based on prevailing market prices.

The Segment Information for the year ended 31st March, 2010 is detailed below:

Rs.in Lakhs

Particulars	Textiles		Windmill Power		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
REVENUE						
External Sales (Net)	4761.74	3668.92	—	—	4761.74	3668.92
Inter Segment Sale	—	—	393.26	318.21	393.26	318.21
Total Sales	4761.74	3668.92	393.26	318.21	5155.00	3987.13
Other Income	193.02	65.54	—	—	193.02	65.54
Total Revenue	4954.76	3734.46	393.26	318.21	5348.02	4052.67
RESULT						
Segment Result	561.05	59.97	342.94	281.89	903.99	341.86
Unallocated Income						
Unallocated Expenses						
Operating Profit	561.05	59.97	342.94	281.89	903.99	341.86
Interest Expenses	400.95	245.94	127.46	126.56	528.41	372.50
Depreciation	242.07	216.58	110.67	110.67	352.74	327.25
Interest Income	6.75	6.08	—	—	6.75	6.08
Current Tax - MAT	5.00	—	—	—	5.00	—
Deferred Tax Asset	(69.00)	(27.68)	—	—	(69.00)	(27.68)
Fringe Benefit Tax	—	2.20	—	—	—	2.20
Profit from ordinary activities						
Extraordinary Expenses						
Net Profit	(11.22)	(370.99)	104.81	44.66	93.59	(326.33)

THANJAVUR SPINNING MILL LIMITED

Particulars	Textiles		Windmill Power		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
OTHER INFORMATION						
Segment Assets	11785.25	6445.84	1545.66	1656.33	13330.91	8102.17
Unallocated Assets						
Total Assets	11785.25	6445.84	1545.66	1656.33	13330.91	8102.17
Segment Liabilities	11562.28	6340.29	1156.14	1176.21	12718.42	7516.50
Unallocated Liabilities						
Total Liabilities	11562.28	6340.29	1156.14	1176.21	12718.42	7516.50
Capital Expenditure	5150.15	426.86	—	—	5150.15	426.86
Unallocated Capital Expenditure						
Depreciation	242.07	216.58	110.67	110.67	352.74	327.25
Unallocated Depreciation						
Expenditure						
Non - Cash expenses other than Depreciation						

17. Miscellaneous Expenditure

Compensation paid under Voluntary Retirement Schemes have been included as Deferred Revenue Expenditure and amortized over a period not exceeding five years.

THANJAVUR SPINNING MILL LIMITED

SCHEDULE: 16

NOTES ON ACCOUNTS:

(Rs. In Lakhs)

1. Contingent Liabilities:	As at 31-03-2010	As at 31-03-2009
(i) Liabilities on Letter of Credit opened :		
Capital Goods	NIL	NIL
Others	NIL	NIL
(ii) Estimated amount of contracts remaining to be executed on capital account not provided	17.91	1272.83
(iii) Liabilities on guarantees given by the bankers	NIL	NIL
(iv) Liabilities on guarantees given to the bankers	NIL	NIL

2. The tax liability for the company for the financial year 2009-10 is under MAT which works out to Rs. 5 Lakhs.

Income tax assessments have been completed up to the accounting year ended on 31-03-2008 i.e., Assessment year 2008-09.

The break up of net deferred tax asset of Rs. 69 Lakhs as at 31-3-2010 is as under:

Timing differences on account of:	Deferred tax liability
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	1170
Tax effect on carry over Loss (Deferred Tax Liability)	1076
Deferred tax liability as on 31/03/2010	94
Less : Already provided	163
Excess withdrawn	69

3. Sales Tax Assessment upto year ended 31st March, 2007 has been completed.

4. Managing Director's Remuneration for the year ended 2009-2010:

Salary	Rs.	6,00,000
Contribution to Provident Fund	Rs.	72,000
Contribution to Superannuation Fund	Rs.	90,000
Total	Rs.	<u>7,62,000</u>

The total amount paid as stated above, is within the limit prescribed in Schedule XIII of the Companies Act, 1956.

5. As per the accounting policy followed by the Company in respect of payment under Voluntary Retirement Scheme to the employees, 1/5 of the expenditure amounting Rs. 2,23,296/- has been charged to current year's profit and loss account.
6. Contribution to Gratuity Fund related to past service liability has been provided in accordance with Accounting Standard - 15 (Revised)

THANJAVUR SPINNING MILL LIMITED

NOTES ON ACCOUNTS

7. Auditors' remuneration (Including Service Tax) & expenses:

Statutory Auditors	2009-2010	2008-2009
a) As Auditors	Rs. 71,695	55,150
b) In other capacities		
(i) For Tax Audit / Tax Representation	Rs. 58,090	33,708
(ii) Certification Work	Rs. 30,333	8,989
(iii) Expenses reimbursed	Rs. 36,588	34,943
Total	1,96,706	1,32,790

8. The Company's shares are listed in Madras Stock Exchange Limited, for which listing fee for the year 2010-2011 has been paid.
9. As at 31.03.2010, the company has no outstanding dues to Micro, Small and Medium Enterprises/ small-scale industrial undertaking. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
10. The unadjustable units generated from the Windmills as on 31.03.2010 are 10.26 Lakhs KWH (PY 0.52 Lakhs KWH) and its monetary value of Rs. 29.83 Lakhs (PY Rs. 1.93 Lakhs) has been included in Loans & Advances.
11. As per Accounting Standard - 15 (Revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:

	2009 - 10	Rs.in Lakhs 2008 - 09
Employer's Contribution to Provident Fund	33.54	27.86
Employer's Contribution to Superannuation Fund	1.55	1.06

Details of the post retirement gratuity plan (Funded) are as follows :

Reconciliation of opening and closing balances of defined benefit plan:

Defined Benefit Obligation as on 01-04-2009	95.04	93.34
Current Service Cost	5.56	4.78
Interest Cost	7.15	7.09
Actuarial (gain) / loss	6.90	(-)0.63
Benefits paid	(-) 11.34	(-) 9.53
Defined Benefit obligation as on 31-03-2010	103.30	95.04

Reconciliation of opening and closing balances of fair value of plan assets:

Fair value of plan assets as on 01-04-2009	67.86	56.79
Expected return on plan assets	7.24	5.44
Actuarial gain / (loss)	0.18	0.33
Employer Contribution	33.91	14.82
Benefits paid	(-) 11.34	(-) 9.53
Fair value of plan assets as on 31-03-2010	97.85	67.86

Actual Return of plan assets:

Expected return of plan assets	7.24	5.44
Actuarial gain / (loss) on plan assets	0.18	0.33
Actuarial return on plan assets	7.42	5.76

THANJAVUR SPINNING MILL LIMITED

NOTES ON ACCOUNTS

	2009 - 10	2008 - 09
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	97.84	67.86
Present value of obligation	103.30	95.04
Difference	5.46	27.19
Unrecognized transitional liability	Nil	Nil
Unrecognized past service cost non vested benefits	Nil	Nil
Amount recognized in Balance Sheet	5.46	27.19

Expense recognized during the year:

Current Service Cost	5.56	4.78
Interest Cost	7.15	7.09
Expected return on plan assets	(-) 7.24	(-)5.44
Actuarial (gain) / loss	6.72	(-)0.96
Transitional liability recognized in the year	Nil	Nil
Past service cost-non-vested benefits	Nil	Nil
Past Service cost-vested benefits	Nil	Nil
Net Cost	12.19	5.46

Investment Details as on 31-03-2010:

GOI Securities	Nil	Nil
State Government Securities	Nil	Nil
High Quality Corporate Bonds	Nil	Nil
Funds with LIC	100%	100%
Bank balance	Nil	Nil
Others	Nil	Nil
Total	100%	100%

Actuarial assumptions:

LIC 1994-96 Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a	8.00%	8.00%
Expected rate of return on plan assets p.a	9.15%	9.15%
Rate of escalation in salary p.a	4.00%	4.00%

Details of Leave encashment plan (Unfunded) are as follows :

Reconciliation of opening and closing balances of defined benefit plan :

	2009 - 10	2008 - 09
Defined Benefit Obligation as on 01-04-2009	9.41	7.86
Current Service Cost	2.72	2.31
Interest Cost	0.64	0.53
Actuarial (gain) / loss	0.94	1.15
Benefits paid	(-) 2.85	(-) 2.44
Defined Benefit obligation as on 31-03-2010	10.86	9.41

Reconciliation of opening and closing balances of fair plan assets:

Fair value of plan assets as on 01-04-2009	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial gain / (loss)	Nil	Nil
Employer Contribution	2.85	2.44
Benefits paid	(-) 2.85	(-) 2.44
Fair value of plan assets as on 31-03-2010	Nil	Nil

Actual Return of plan assets:

Expected return of plan assets	Nil	Nil
Actuarial gain / (loss) on plan assets	Nil	Nil
Actuarial return on plan assets	Nil	Nil

Reconciliation of fair value of assets and obligations:

Fair value of plan assets	Nil	Nil
Present value of obligation	10.86	9.41
Difference	10.86	9.41
Unrecognized transitional liability	Nil	Nil
Unrecognized past service cost non vested benefits	Nil	Nil
Amount recognized in Balance Sheet	10.86	9.41

THANJAVUR SPINNING MILL LIMITED

NOTES ON ACCOUNTS

Expense recognized during the year:	2009 - 10	2008 - 09
Current Service Cost	2.72	2.31
Interest Cost	0.64	0.53
Expected return on plan assets	Nil	Nil
Actuarial (gain) / loss	0.94	1.15
Transitional liability recognized in the year	Nil	Nil
Past service cost-non-vested benefits	Nil	Nil
Past Service cost-vested benefits	Nil	Nil
Net Cost	4.30	3.99

Investment Details as on 31-03-2010:

GOI Securities	Nil	Nil
State Government Securities	Nil	Nil
High Quality Corporate Bonds	Nil	Nil
Funds with LIC	Nil	Nil
Bank balance	Nil	Nil
Others	Nil	Nil
Total	Nil	Nil

Actuarial assumptions:

LIC 1994-96 Ultimate Table applied for Service Mortality rate	Yes	Yes
Discount rate p.a	8.00%	8.00%
Expected rate of return on plan assets p.a	Nil	Nil
Rate of escalation in salary p.a	4.00%	4.00%

12. Earning per Share:

(In Rupees)

Particulars	2009-2010	2008-2009
Net Profit / (Loss) after tax (A)	93,58,619	(3,26,33,327)
No. of Shares (B)	27,00,000	27,00,000
Basic & Diluted earning per share for Rs.10/- each (A)/(B)	3	(12)

13. RELATED PARTY TRANSACTIONS

As per Accounting Standard -18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

Key Management Personnel & Relatives

Shri P.R. Ramasubrahmaneya Rajha, Chairman

Dr. K.T. Krishnan, Managing Director

Enterprises over which the above persons exercise significant influences and with which the company had transactions during the year:

1. M/s. Madras Cements Ltd.
2. M/s. Rajapalayam Mills Ltd.
3. M/s. Sri Vishnu Shankar Mill Limited
4. M/s. Ramco Industries Ltd.
5. M/s. Sandhya Spinning Mill Ltd.
6. M/s. Rajapalayam Spinners Private Limited
7. M/s. Ramco Systems Ltd.

THANJAVUR SPINNING MILL LIMITED

NOTES ON ACCOUNTS

The Company's transactions with the above related parties are summarised below:-

a. Inter Corporate Deposits Accepted: (In Rupees)

Name of the Related Party	Maximum Outstanding during the year	Interest	Outstanding as on 31.03.2010	
			ICD	Interest
M/s Rajapalayam Mills Ltd.	20,00,00,000	1,61,21,235	19,50,00,000	NIL
M/s Sri Vishnu Shankar Mill Ltd	7,50,00,000	17,70,206	6,00,00,000	NIL

b. Good Supplied / Services rendered: (In Rupees)

Name of the Related Party	Value	Outstanding as on 31.03.2010
M/s. Rajapalayam Mills Ltd.,	6,85,200	NIL
M/s. Madras Cements Ltd.,	7,37,197	NIL

c. Cost of Goods & Services purchased / availed: (In Rupees)

Name of the Related Party	Value	Outstanding as on 31.03.2010
M/s. Rajapalayam Mills Ltd.,	18,21,430	NIL
M/s. Madras Cements Ltd.,	2,80,46,187	NIL
M/s. Ramco Industries Ltd.,	14,15,351	NIL
M/s. Ramco Systems Ltd.,	4,68,471	NIL
M/s. Sri Vishnu Shankar Mill Ltd.,	9,75,211	NIL
M/s. Sandhya Spinning Mill Ltd	2,92,218	NIL
M/s. Rajapalayam Spinners Private Ltd	23,002	NIL

14. Additional information pursuant to provision of paragraphs III & IV of part II of the Schedule VI of the companies Act, 1956.

a) Annual Capacities and Production:

Installed Capacity	UOM	2009-2010	2008-2009
Spindles	Nos	50,160	33,360
Rotors	Nos	776	688
Wind Mills	MW	5	5
Production			
Yarn	Kgs	34,56,501	27,73,850
Power from Wind Mills	Lakhs - KWH	105	88

b) Particulars in respect of Sales, Opening and Closing Stock of goods manufactured:

Yarn	UOM	2009-2010		2008-2009	
		Quantity	Value Rs.	Quantity	Value Rs.
Opening Stock	Kgs	52,549	64,39,883	1,07,422	1,20,35,034
Sales	Kgs	34,55,887	47,61,74,487	28,28,723	36,68,92,036
Closing Stock (Packed)	Kgs	53,163	80,16,905	52,549	64,39,883
(Unpacked)	Kgs	51,496	76,95,932	68,732	80,04,802

THANJAVUR SPINNING MILL LIMITED

NOTES ON ACCOUNTS

c) Raw Materials Consumed:

	UOM	2009-2010		2008-2009	
		Quantity	Value Rs.	Quantity	Value Rs.
Cotton & Cotton Waste	Kgs	48,65,123	27,68,40,966	37,91,936	21,84,80,576

d) Value of Imports calculated on CIF Value

	2009-2010 Rs.	2008-2009 Rs.
Raw Materials	4,69,49,666	1,61,17,365
Components and Spares	15,10,364	1,02,235
Capital Goods	12,91,56,512	2,00,81,758

e) Expenditure in Foreign Exchange during the year

	2009-2010 Rs.	2008-2009 Rs.
Total Value	10,46,440	9,25,195

f) Earnings in Foreign exchange (FOB Value)

	2009-2010 Rs in Lakhs	2008-2009 Rs in Lakhs
Export - Yarn	299	405

g) Value of Raw Materials, Stores & Spare parts consumed

	2009-2010		2008-2009	
	Rs.	%	Rs.	%
Raw Materials				
Imported	4,79,71,218	17	1,63,35,789	7
Indigenous	22,88,69,748	83	20,21,44,787	93
Spares and Components				
Imported	3,95,103	2	1,47,056	1
Indigenous	2,53,29,308	98	2,07,53,325	99

15. Previous year figures have been regrouped / restated wherever necessary to make them comparable with the current year's figures.

16. Figures have been rounded off to the nearest rupee.

(Signature to Schedules 1 to 16)

(As per our report annexed)
For N.A. JAYARAMAN & Co
Chartered Accountants
FRN - 001310S

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KRISHNASWAMY KAMAYA NAICKER
R. SIVASUBRAMANIAN
R.T. IYENGAR

R. PALANIAPPAN
Proprietor.
Membership No.205112.

Dr. K.T. KRISHNAN
MANAGING DIRECTOR

DIRECTORS

RAJAPALAYAM,
28.05.2010.

THANJAVUR SPINNING MILL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

(Rs.in Lakhs)

	2009-10	2008-09
A. Cash Flow from Operating Activities:		
Net Profit before tax and prior period & extraordinary items	29.59	(351.81)
Adjustments for:		
Depreciation	352.74	327.26
Interest paid	528.41	372.50
Interest received	(6.75)	(6.09)
Deferred revenue expenditure written off	2.23	5.84
Profit on Sale of Assets	(133.54)	(2.01)
Operating Profit before Working Capital changes	<u>772.68</u>	<u>345.69</u>
Adjustments for:		
Trade and Other Receivables	(235.88)	(54.61)
Inventories	(1263.13)	294.13
Trade Payables	(7.30)	149.65
Cash generated from operations	<u>(733.63)</u>	<u>734.86</u>
Direct Taxes Paid	5.00	2.20
Profit on sale of Assets	133.54	2.01
Cash flow before prior period and extraordinary items	<u>(605.09)</u>	<u>734.67</u>
Prior period and extraordinary items		
Net Cash from Operating Activities	<u>(605.09)</u>	<u>734.67</u>
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(3982.00)	(1433.67)
Interest Received	6.75	6.09
Net Cash used in Investing Activities	<u>(3975.25)</u>	<u>(1427.58)</u>
C. Cash Flow from Financing Activities		
Proceeds from Long term borrowings	2777.44	820.14
Proceeds from Short term borrowings	2184.75	274.88
Repayment of Long term borrowings	247.03	(64.73)
Interest paid	(528.41)	(372.50)
Payment of Dividend and Tax thereon	—	—
Net Cash from Financing Activities	<u>4680.81</u>	<u>657.79</u>
Net increase in cash and cash equivalents (A+B+C)	<u>100.47</u>	<u>(35.12)</u>
Opening cash and cash equivalents (D)	17.26	52.38
Closing cash and cash equivalents (E)	<u>117.73</u>	<u>17.26</u>
Net increase in cash and cash equivalents (E-D)	<u>100.47</u>	<u>(35.12)</u>

(As per our report annexed)

For N.A. JAYARAMAN & Co
Chartered Accountants
FRN - 001310S

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KRISHNASWAMY KAMAYA NAICKER
R. SIVASUBRAMANIAN
R.T. IYENGAR

R. PALANIAPPAN
Proprietor.
Membership No.205112.

Dr. K.T. KRISHNAN
MANAGING DIRECTOR

DIRECTORS

RAJAPALAYAM,
28.05.2010.

THANJAVUR SPINNING MILL LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS : L 1 7 1 1 1 T N 1 9 6 1 P L C 0 0 4 5 0 5

Registration No.

Balance Sheet Date
Date Month Year

State Code

2. CAPITAL RAISED DURING THE YEAR :

(Rs. in Thousands)

Public issue Right Issue

Bonus issue Private Placement

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

(Rs. in Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

4. PERFORMANCE OF THE COMPANY : (Rs. in Thousands)

Turnover* Total Expenditure

*Turnover includes Wind Mill Generation and Other Income

Profit before Tax Profit After Tax

Earnings per share (Rs) Dividend Rate (%)

5. GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY (As per monetary terms)

Item Code No. (ITC Code)

Product Description

(As per our report annexed)

For N.A. JAYARAMAN & Co
Chartered Accountants
FRN - 001310S

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

S. KRISHNASWAMY KAMAYA NAICKER
R. SIVASUBRAMANIAN
R.T. IYENGAR

R. PALANIAPPAN
Proprietor.
Membership No.205112.

Dr. K.T. KRISHNAN
MANAGING DIRECTOR

DIRECTORS

RAJAPALAYAM,
28.05.2010.

THANJAVUR SPINNING MILL LIMITED

Registered Office: "Rajapalayam Mills Premises", P.A.C. Ramasamy Raja Salai,
RAJAPALAYAM --626117.

PROXY FORM

I/WeSon of/Wife of/Daughter of
residing at.....being
a member / members of THANJAVUR SPINNING MILL LIMITED do hereby appoint
Sri/Smt/Miss..... . Son of/Wife of/Daughter of
residing at.....or failing him
Sri/Smt/Miss.....Son of/Wife of/Daughter of.....
residing at.....as my/our proxy to vote
for me/us on my/our behalf at the 48th Annual General Meeting of the Company to be held on Wednesday the
4th August, 2010 at 11.30 A.M. and at any adjournment thereof.

Signed thisday of..... 2010.

Folio No	No. of Shares

Affix 1 Rupee
Revenue
Stamp and
Sign over it



Note.: Any member entitled to attend and vote at the meeting is entitled to attend and either vote in person or by Proxy and that the Proxy need not be a member of the Company. This form thus completed should be deposited at the Registered Office of the Company before 11.30 A.M. on 02-08-2010.